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GENERAL ASSEMBLY

PROVISIONAL VERBATIM RECORD OF THE FOURTH MEETING

Held at Headquarters, New York,
on Tuesday, 24 April 1990, at 3 p.m.

President:	Mr. GARBA	(Nigeria)
later:	Mr. VRAALSEN (Vice-President)	(Norway)
later:	Mr. AL-ANBARI (Vice-President)	(Iraq)
later:	Mr. FEYDER (Vice-President)	(Luxembourg)

- General debate [8 and 9] (continued)

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The meeting was called to order at 3 p.m.

AGENDA ITEMS 8 AND 9 (continued)

GENERAL DEBATE

Mr. Obed ASAMOAH (Ghana): The 1980s have been aptly described as "a decade lost for development". The convening of this special session of the General Assembly to work out the modalities for strengthened international co-operation in support of growth and development in the developing countries could not therefore have been more opportune. We are confident, Mr. President, that under your able leadership the General Assembly will reach a consensus on the strategies and policies that must be put in place to ensure that the decade we have just begun will bring progress and hope to all. To this end it behoves all countries, in particular the developed countries, to show political will and steadfast commitment to the common objective of eradicating the scourge of poverty and misery from the world.

In this age when scientific and technological advances have created the potential for meeting the basic needs of all mankind, it is unacceptable that the majority of the world's population should continue to live in privation and misery. It would be wrong to put all the blame on unsound policies, as some developed countries are wont to do. It is largely and in many significant respects a function of the adverse international economic environment in which developing countries have had to operate.

We need to remind ourselves that we have assembled here primarily to examine how growth and development in developing countries can be activated. It is therefore necessary to identify the key factors militating against growth and development in these countries and address them squarely.

As the Secretary-General's report points out, trade between nations is vital to growth. But the history of developing countries' integration into the

(Mr. Obed Asamoah, Ghana)

international trading system has been one of unequal exchange, as exemplified by the persistent and ever worsening adverse terms of trade between the developed and developing countries. The effect of this unequal exchange on the economic performance of developing countries has been devastating. It is at the heart of the perennial balance-of-payments difficulties and the low rates of domestic investment of many developing countries, in particular in Africa. How can the African economies grow when, according to the World Bank, over the last six years Africa has lost far more from the drop in the prices of its commodity exports than it has gained from the totality of aid and external assistance it has received? In 1988 Ghana lost $100 million from the drop in the price of cocoa. Had this sum been available to Ghana it would have been able to increase domestic investment and thereby expand its productive capacity and create jobs to bolster its Structural Adjustment Programme.

The need for adequate remuneration for the produce of developing countries is therefore urgent and critical. This calls for a complete overhall of the international trading system and its underlying reward system. But seeing that the developed countries which enjoy an advantage under the existing régime are, for the time being, unwilling to agree to any fundamental change, the developing countries have had to make do with an Integrated Programme for Commodities, with a supporting Common Fund. The coming into force of the Common Fund is a positive development, and international support should be strengthened to ensure its smooth and effective functioning. In this regard we call on all those countries which have not joined the Common Fund to endeavour to do so.

The familiar advice offered commodity-dependent countries is to diversify, but whose who succeed in creating industries that can compete with the products of the industrialized countries face tariff and non-tariff barriers erected against them.

(Mr. Obed Asamoah, Ghana)

The upsurge of managed trade in the international trading system is cause for concern. In any case, diversification is a long-term proposition requiring resources not only to meet the immediate financial crisis created by low export receipts but also to implement long-term diversification programmes.

Another key factor is the question of the external indebtedness of developing countries and the constraint that onerous debt-service burdens have imposed on them. In general, debtor developing countries have done a commendable job of meeting their obligations to creditors, as evidenced by the absence of any disruptive defaults in the financial system. But this has been achieved at the expense of much needed domestic investment and imports of capital goods. Even more serious, investment on education and on social services such as health and housing has had to be reduced.

The magnitude of the debt keeps mounting year after year and debt ratios keep rising, owing to frequent rescheduling, high interest rates and currency fluctuations. If today the total external debt of developing countries stands at $1.3 trillion, it is not because these countries have in fact received all this colossal sum. Much of it arises from high interest rates and exchange rate instability. This constitutes a severe constraint on the growth potential of developing countries and is an indictment against the strategies followed so far. The international community crossed a significant psychological hurdle when it recognized that debt reduction should be an integral element in any strategy for solving the debt problem. However, implementation of this policy under the so-called Brady Plan gives us little ground for hope because difficult conditionalities must be met which make negotiations long and arduous. So far only one country has concluded an agreement under the Plan's guidelines, and even then it is expected that that country's external debt position will remain unchanged at

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(Mr. Obed Asamoah, Ghana)

the end of 1992. Debt owed to the multilateral financial institutions represents a burden that must also be alleviated.

An important external constraint is the flow of resources for development. I referred a short while ago to the magnitude of the external debt of developing countries. As total debt grew, so did debt-service burdens. Debt servicing, transfers on foreign direct investment and other payments have led to the phenomenon of net transfer of resources from developing to developed countries. The value of these transfers is in the order of over $30 billion yearly, and the International Monetary Fund (IMF) has become a net recipient of resources from developing countries. The resource squeeze is further worsened by the reluctance of the commercial banks to grant any significant new loans to indebted countries. Official development assistance flows have stagnated over the years and show very little prospect of reasonable growth in the future. A few medium-sized economies in Europe, notably in the Nordic countries, have attained and in some cases exceeded the target of 0.7 per cent of gross domestic product in official development assistance flows established by the international community. Regrettably, official development assistance flows from the economically powerful countries have been less than one half the target. If it were possible for the industrialized countries to accept the principle of reserving part of the resources saved from disarmament for the development of developing countries the situation could be saved - but would it?

(Mr. Obed Asamoah, Ghana)

It is in the context of these severe resource constraints that many developing countries have been carrying out structural adjustment programmes in an effort to put in place policies designed to halt economic decline and lay the basis for long-term development. Paradoxically, the prescriptions for structural adjustment facilities have in some cases worsened the economic plight of dveloping countries. Because structural adjustment programmes have the effect of improving the supply situation, thus alleviating shortages of goods, they mask some serious inherent deficiencies that need to be addressed.

These programmes encourage increased production of the very commodites that lack stable markets. Such increased production merely depresses prices. Thus greater productive effort leads to little or no reward and sometimes carries with it environmental degradation. Meanwhile the external economic environment makes possible only crisis management and undermines capacity for diversification of exports. Indiscriminate trade liberalization, the credit squeeze and steep exchange rates often reduce local production and encourage trade in imported commodities. The reduction of budget deficits means cuts in social services, while exchange rate adjustments and the elimination of subsidies means higher prices at the very time that unemployment and low wages prevail.

The deficiencies in the structural adjustment programmes need to be eliminated through policy changes which will enable self-reliant and self-sustained development. If structural adjustment programmes are not seen by the people as ensuring their well-being and improved living standards, social and political crises will develop that will make their value questionable. Many of the developing countries carrying out structural adjustment programmes, such as Ghana, have reached the stage where the productive base must be expanded to create wealth

(Mr. Obed Asamoah, Ghana)

and employment through increased levels of domestic investment. The production of tradable goods, particularly for the export sector, is crucial. But there must be markets to which these goods can be exported, and there must be resources to finance the expansion.

As developing countries adjust to the adverse international economic situation, so must the industrialized countries also adjust to the major imbalances existing among them. Developing countries alone should not be made to bear the burden of adjustment. These imbalances have given rise to protectionist pressures, high interest rates and exchange-rate instability, with adverse consequences for the exports and external-debt situation of developing countries.

It is also important that international economic policy co-ordination should be broadened to give a voice to the developing countries in decision-making. It is not acceptable that a small group of nations, however well-meaning, should arrogate to themselves the right to take decisions affecting the interests of all. As the Secretary-General points out in his report, international policy co-ordination

> "should be directed towards global economic growth and social development, rather than being focused on the limited objectives of a small group of nations".

Let me say that the Ghana delegation fully supports the statement delivered yesterday on behalf of the Group of 77 by the Minister of Planning and Co-ordination of Bolivia. But let me emphasize one point. Recent developments in the world political and economic situation relating to East-West relations, the formation of regional trading blocs and the possible integration of the socialist countries into the mainstream of the world economy present unique opportunities for forging a strengthened world economic system beneficial to all. They should not lead to the marginalization of the developing countries or the reinforcement of the

(Mr. Obed Asamoah, Ghana)

prevailing standards of economic relations between the developed and developing countries. Let us accept the challenges of our time and strive together to meet them.

In conclusion I should like to express the great delight of my delegation and all the people of Ghana at seeing Namibia join the ranks of the United Nations membership. Namibia's accession to independence shows what the United Nations is capable of doing when the entire membership respects the principles and objectives of the Charter and accepts the equality and brotherhood of mankind.

Mr. OMAR (Malaysia): Mr. President, it is indeed a pleasure for me personally and for my delegation to see you presiding over this important special session. I also wish to pay tribute to your skilful stewardship of the forty-fourth session, as well as to pledge our full co-operation.

Like previous speakers, I too should like to welcome Namibia into the comity of nations, which marks the successful culmination of a heroic struggle. We are confident that the emergence of Namibia to independence will usher in an era of peace, progress and harmony for its people.

The Minister of Planning and Development of Bolivia has already made known the views and positions of the Group of 77, which my delegation fully supports. However, I should like to further elaborate certain aspects of this special session that are of importance to my delegation.

The convening of this special session of the General Assembly devoted to international economic co-operation, in particular to the revitalization of economic growth and development of developing countries, is very timely, as it provides us with an opportunity to collectively address and meet the challenges of development for the 1990s.

(Mr. Omar, Malaysia)

The world is at a crossroads as we begin the last decade of the twentieth century. We have witnessed dramatic political transformations in an atmosphere of international détente between the super-Powers, and the unimaginable triumph of the concerted voice of peoples in various societies. The improved climate, coupled with the enhanced role of the United Nations, has brought about increasing optimism on the prospects for the resolution of disputes and conflicts in many flashpoints of the world. It is a sobering thought, though, that there are still critical conflicts to be resolved such as those in Cambodia, Afghanistan, South Africa and Palestine. In Palestine, the issue is further aggravated by the immigration of Jews from the Soviet Union, displacing Palestinians from their homelands.

Positive evolutionary trends on the political front have not been matched by similar advances on economic and social issues. The great challenge before us is that all countries, developed and developing, should seize the opportunity at this propititious juncture, when the world is no longer locked in on an East-West divide, to create new and more opportunities for real and sustained multilateral co-operation, be it in debt resolution, trade liberalization, co-operation in science and technology, or in conserving and protecting the environment.

(Mr. Omar, Malaysia)

There must be an urgent consensus to generate in the economic and social fields the same atmosphere of hope and optimism as is now found in the political arena. The relaxation of East-West tensions must lead to a reallocation of resources away from armaments and towards socially productive uses, including development co-operation.

While it is self-evident that different countries and regions have special concerns, the developing countries as a whole are confronted with common impediments to their development. For instance, poverty is endemic not only in Asia but also in Africa and Latin America. Over 70 countries have to grapple with onerous debt problems, and more than a hundred experience a net transfer of resources to developed countries and multilateral financial institutions. No less serious, low prices for commodities adversely affect the economic situation of the majority of developing countries, while protectionism and other trade measures in important developed countries hinder the export efforts of all developing countries. It is therefore imperative for the international community to seek to remove these obstacles, so that the 1990s may be a decade of growth and development.

This special session, therefore, is an appropriate and timely forum to forge a fresh and new partnership, devoid of rancour and recrimination. The frustrations of the past, unmet targets and unhonoured promises should not be obstacles in the dynamic path of change. We all have our respective roles and responsibilities in adjusting to these changes, but we must together create a global environment that will permit a broad-based improvement in the quality of life of all our peoples.

There can be no meaningful exchange on the theme of this session without a reference to the debt problem, which remains unresolved. The alarming fact is that what had been a net flow of some $47 billion to the South in the early 1980s was

(Mr. Omar, Malaysia)

reversed within a period of eight years to over $32 billion in debt servicing outflows to the North in 1988. To redress this grim reality, the world needs a bold financial initiative that gives developing countries new incentives to sustain vitally needed economic growth.

From the perspective of the development financing needs of developing countries in the 1990s, two interrelated aspects of the debt crisis merit greater attention. First, if debt reduction is to be effective in revitalizing growth in debtor countries, creditor Governments and multilateral financial institutions must widen their role, with a view to enlarging the scale and pace of debt reduction and debt-service reduction. Secondly, debt reduction and debt-service reduction should not be negated by the dwindling of new funds. Additional efforts to ensure that new lending is not discouraged will be required of official donors and creditors, particularly multilateral financial institutions. Similarly, the conditionality attached to adjustment programmes must continue to take full account of the difficult and complex issues prevailing in most debtor countries.

Almost all developing countries are vitally dependent on an open and stable multilateral trading system. Unfortunately, since the early 1980s the system has come under considerable pressure from many directions.

Our resolve ought to be to stem the tide of protectionism by strengthening the multilateral trading system founded on the General Agreement on Tariffs and Trade (GATT). There is sufficient evidence to suggest that the least developed countries, with the lowest adjustment capabilities, suffer disproportionately from trade barriers imposed by the developed countries. Strengthening of the multilateral trading system can therefore ward off unilateral trade action taken against smaller and weaker partners. Such a trading sytem will benefit everyone,

(Mr. Omar, Malaysia)

especially the smaller trading nations, whose dependence on international trade to earn sufficient resources to undertake development and service their debt has grown in recent years.

Trade negotiations under the Uruguay Round have entered a critical phase. It is imperative that all contracting parties demonstrate the necessary political will to make the Round a success. The perceived imbalance in the progress to date is a serious problem and should be addressed in a manner that will provide the impetus for a favourable negotiating climate. In the final analysis, the outcome of the Round has to be a balanced one, whereby every country may derive benefits. Given the complexities of the new issues and the differing stages of development of developing countries, a sense of equity and fairness must always prevail.

Science and technology have a major role in promoting international economic co-operation. Resource constraints and the lack of in-depth understanding of technologies has hampered technological adaptation, technological transfer and technological advance in the developing countries. The increased globalization in the production of goods and services and the expansion of world trade, based to a large extent on the principle of comparative advantage, imply that unless developing countries are able to channel greater resources into science and technology development, the disparities in stages of growth between developed and developing countries will persist.

For the developing countries, the technological changes under way hold out new promises as well as challenges in the 1990s. The international economic and financial environment and domestic adjustments are crucial determinants. Many of the emerging technologies have genuine potential to address their problems in the fields of agriculture, rural development, food production, cheaper and cleaner energy sources, health care and education.

(Mr. Omar, Malaysia)

The integration of new scientific and technological processes into the production structure can be either bought or developed, indigenously as well as endogenously. It is of the utmost importance that developing countries, especially those that are debt-ridden, should not be denied the external financing necessary for importing the new generation of technologies to expedite the growth of their economies. At the same time, the strengthening of indigenous technological capability can be advanced only through greater investments in human resources development.

My delegation wishes to underline the importance of human resources development. In fact, the development of human resources is integral to the economic and social progress of all nations. Broad-based participation, education and health are essential for genuine social development and sustained economic expansion. The economic crisis of the 1980s and the resulting adjustment measures have led to significant cuts in national expenditure in sectors crucial to the development of human resources, with grave implications for sustained growth and development.

(Mr. Omar, Malaysia)

My delegation wishes to underline that efforts for human-resources development should optimize all means for the overall development of human beings, particularly those living in poverty and other vulnerable groups, so that they may individually and collectively be capable of improving their standard of living. My delegation therefore calls on the international community to support the efforts of developing countries on human-resources development in accordance with their national priorities and plans.

I should like now to turn to the question of international commodity policy. The 1980s have been characterized by a move away from international action in the commodity sector. The coming into operation of the Common Fund could mark the beginning of a new and more promising chapter in the evolution of an international commodity policy. We believe that for the 1990s the main objective should be to transform the commodity sector from one generally acting as a constraint on development to one providing substantial support for development and industrialization. It is very clear to all that diversification and industrialization constitute the long-term goal and solution for the commodity dependent developing countries, and in this respect determined national efforts and committed international support are needed for its achievement. Meanwhile, greater stability and predictability in commodity trade, together with a substantial increase in commodity export earnings, necessary to revitalize development in commodity-dependent countries, must be sought through strengthened co-operation among producers and between producers and consumers. The present level of co-operation, in both cases, falls short of requirements, and this inadequacy lies at the heart of many current difficulties affecting individual commodities.

Another important challenge faced by the international community is the threat to the environment. Integrating environment and development is no longer a

(Mr. Omar, Malaysia)

theoretical goal but an urgent priority. The 1992 United Nations conference on environment and development will provide an important opportunity to address environmental and developmental issues in an integrated manner. My Government wishes to stress our commitment to the issue of environment and development. We have manifested this in an important Declaration known as the Langkawi Declaration on Environment adopted by the commonwealth Heads of Government in October 1989. That Declaration is a forward-looking document which seeks a balanced path to international collaboration, incorporates important concepts of equitable sharing of responsibility and recognizes that developing countries must be substantially assisted to sustain their development effort. Malaysia looks forward to the substantive discussions ahead at Nairobi, Geneva and New York in preparation for the 1992 conference and in realizing the full implementation of General Assembly resolution 44/228.

Our meeting here for the special session should also be an occasion to enhance the role of the United Nations system. This special session ought to provide us with an opportunity to consider how the United Nations system could adjust and adapt itself to the evolving needs and realities of developing countries, particularly the strengthening of multilateral economic co-operation.

This special session cannot afford to fail. We must ensure that the special session marks a turning-point in international economic relations. It should provide useful guidance to other important meetings in the United Nations system and outside, namely, the conference on the least developed countries, to be held in September 1990, the Uruguay Round, to be completed later this year, the preparation of the new international development strategy, the Eighth United Nations Conference on Trade and Development (UNCTAD) and the 1992 conference on

(Mr. Omar, Malaysia)

environment and development. I am confident that we can all work towards ensuring that this special session will effectively contribute towards enhancing international economic co-operation, in particular the revitalization of economic growth and development in developing countries.

Mr. PRONK (Netherlands): Let me first of all, on behalf of the Kingdom of the Netherlands, including the Netherlands Antilles and Aruba, express our joy at the admission of Namibia as the one hundred sixtieth Member of our Organization. We wish the young Republic the prosperity and happiness it deserves after its long struggle for independence.

I should like now to make some remarks on the issues of this special session, meant to complement and expand upon the statement delivered by the Minister for Foreign Affairs of Ireland on behalf of the European Community and its member States. The 1980s, it has been said by many of my predecessors, have been called the "lost decade", and largely with good reason. Its manifestations are well documented; although the picture is rather differentiated, on the whole we have witnessed environmental degradation, a crippling debt burden, a net transfer from South to North instead of the other way round, commodity prices hitting record lows, trade protection in defiance of international rules and agreements, international monetary disorder and, most deplorable of all, an increasing number of people - now well over 1 billion - condemned to live in absolute poverty.

There were also positive developments. A number of countries achieved high rates of economic growth. Some indicators, such as health and mortality, showed a positive trend. Democratization got under way in many countries.

But still, major negative developments prevailed. The basis for the creation of wealth became more fragile. The distribution of wealth became more unequal, nationally as well as internationally.

(Mr. Pronk, Netherlands)

For many peoples in the third world, the autonomous capacity to create wealth was stifled by an international environment largely beyond their control. Sometimes that capacity was further impaired by domestic policies. Adjustment policies became a problem in themselves. They were short-term-oriented. They did not take into account the need for a sound ecological base. Human consequences were overlooked, forcing many people into deprivation or, at best, into a situation of day-to-day survival in the informal sector. The 1980s became a decade of adjustment, not of development.

The result has been an increasing dualism in the global economy. Negative per capita growth rates have become widespread in Africa and Latin America. This is a development not towards one world but towards several.

At the national level, similar processes are evident. All over the world there are poor people who even lose the hope that their children will be better off. Many turn into drop-outs, fugitives, migrants seeking refuge. Their options, few as they were already, are taken away.

(Mr. Pronk, Netherlands)

The record of the 1980s is in itself a reason to reassess our policies. The trends which we expect will dominate the 1990s make such a reassessment inevitable, and I see three such trends: first, the risks of traditional policies have become bigger; secondly, the scope for national policies has narrowed; and, thirdly, dividing lines, once sharp, are fading away.

First, the risks: Because of continuing traditional policies the environment is threatened to such an extent that sustainability is no longer assured. Production and consumption patterns will have to be changed drastically, particularly in the industrialized countries. It is they who have been mainly responsible for environmental degradation. However, the global environment is fast becoming a responsibility which developing countries will have to share. Substantial additional assistance from abroad will be needed to enable developing countries to bear that burden. However, without fundamental changes in those countries too - for instance, in their policies regarding population and policies with regard to exploitation of scarce resources - sustainable global development will be at risk. A common undertaking to avoid that risk is urgently called for.

The second trend concerns the narrowing scope for national policies. There are no domestic markets any more. Finance, trade and investment are global issues. Debt and the environment have become transnational. Migration does not stop at borders. AIDS is a worldwide phenomenon.

Such globalization poses two major problems: First, the problem of how to create an international framework enabling us to manage interdependence. In the view of the Netherlands Government a strengthened but restructured United Nations system should be the basis of such a framework.

Secondly, there is the problem of how to manage interdependence in not only an efficient but also an equitable way. World-wide integration of markets does not

(Mr. Pronk, Netherlands)

have the same effect on all countries. Some are more interdependent than others. For quite a few countries the process of increased interdependence results in marginalization. The necessary framework for managing interdependence will have to be built around the notion of international social justice. The Government of the Netherlands commits itself to fostering individual and collective human rights as an essential element of such an international framework.

The third trend concerns the most significant change at the turn of the decade, a political one: borders are fading away. Concrete and steel ultimately could not withstand the popular call for political and economic freedom. Walls that were built to last have suddenly come tumbling down.

East-West détente is bound to exert a major influence on the choice of economic and political systems in other countries too. The universal validity of human rights, as well as the need for pluriform national systems, has been underlined by perestroika.

The effect of East-West détente on North-South relations cannot be overestimated. In the short term there is a danger of the diversion of funds from South to East. Such a diversion has to be avoided as much as possible. The peoples of Eastern Europe need support to become effective members of the international community. That support should not, however, be at the expense of the developing countries. In the longer run, disarmament and the conversion of defence-related production to civilian purposes should yield a peace dividend in all countries, East, West and South, a peace dividend to be invested in development, as well as in the environment.

So, old formulas will have to be replaced by new ones: structural transformation beyond adjustment is called for - long-term oriented, broad-based growth that is ecologically sound; the net capital flow should go from North to

(Mr. Pronk, Netherlands)

South; safeguarding the environment is top priority, rather than a luxury; the trade system should enable and stimulate all countries to participate in the market on an equitable footing, rather than hinder them from doing so, and last but not least, development should be human-centred.

Such are the principles that should guide our negotiations in the special session and beyond. I say "beyond", because it would be serious mistake to expect the special session to define solutions for all problems. Any effort to try to do this within the confines of one week's deliberations would be futile.

Instead, the special session should, in my view, be a starting-point, a catalyst; it should give political guidance and set the tone for future negotiations. In this sense the special session should be the beginning of a global dialogue for structural transformation, not in the antagonistic fashion of the 1970s, with clashes between groups of nations, but as a new dialogue for global management based on an awareness of common interests.

Consequently, the achievement of the special session should be threefold: agreement on guidelines, agreement on an agenda for a new dialogue and agreement on a review mechanism.

First, the guidelines: Human development is the key to our whole exercise. It implies widening people's options. Poverty restricts choice, as do disease, hunger and lack of access to productive resources. Denying women their autonomy does not leave them any real choice.

There are lessons to be learned from the experience of countries that have had some success in widening the options open to their peoples. For instance, some developing countries have been able to combine broad-based economic growth with more equality in income distribution and a reallocation of resources to the social sectors.

(Mr. Pronk, Netherlands)

As another example, the success of some Western countries in achieving a balance between equity and efficiency stems from the interconnection of three value systems: a mixed economy, a welfare state guaranteeing social security and a pluralistic political system based on democracy, with full respect for human rights.

International co-operation should be based on the need to help developing countries achieve their own balance between equity and efficiency. As a matter of fact, international co-operation in a global economy can be based on the same three value systems that have increasingly met with consensus at national levels. We need a global mixed economy, including a strong and clear international framework of powerful public institutions, a kind of global public sector, enhancing the wealth-creating and welfare-creating capacities of the global private sector. We need an internationalization of the concept of the welfare state, with international transfers to correct gross inequalities. And this implies that all donor countries must implement the 0.7 per cent target as soon as possible. Lastly, together with a global mixed economy and a global welfare state, we need an international pluralistic democracy within which developing countries can participate effectively in international decision-making.

This brings me to the agenda for the future. Many international meetings dealing with important items on the global agenda are either already under way or foreseen. Examples, as the preceding speaker, the Minister of Malaysia, mentioned, included the Uruguay Round of trade negotiations, the negotiations on the international development strategy, the eighth United Nations Conference on Trade and Development (UNCTAD VIII), the United Nations Conferences on Least Developed Countries and on the Environment and Development. Other meetings are also relevant, such as the Africa Conference, for which I have the honour of being the host at Maastricht, in the Netherlands, in July of this year.

(Mr. Pronk, Netherlands)

However, the dialogue will not stop there. We must also prepare for the issues that go beyond these meetings - for example: access to markets beyond the Uruguay Round; debt reduction beyond the Brady Plan; Europe and the world beyond 1992. This special session must provide the common guidelines for all this.

That is a tall order indeed. I am certain that under your able leadership, Mr. President, it will turn out to be possible. But, as I have said, we cannot expect to agree on more than the essential principles during the special session. That is why we need a decision on a follow-up. In my view such a follow-up should consist of two elements: first, starting a process of defining the institutional consequences for the United Nations system, strengthening the system as well as reforming it; secondly, resuming the special session, say, three years from now in order to assess at the political level the first results of the new global dialogue starting this week, and to give further guidance.

I have outlined an ambitious agenda for the future. The situation compels us to be ambitious. Nothing else will do.

Mr. AL-SABAH (Kuwait) (interpretation from Arabic): The delegation of the State of Kuwait takes pleasure in seeing you, Sir, presiding over the work of the special session of the General Assembly devoted to international economic co-operation. This serves to renew the confidence members of the General Assembly have placed in you, and it attests to the success you have achieved in presiding over the forty-fourth session of the Assembly.

My country's delegation is also pleased to welcome Namibia among us today as a new Member joining the United Nations after a long, heroic struggle by its people and unceasing support by peace-loving countries and by the United Nations for that legitimate struggle, which was crowned with the declaration of independence. We are confident that the free, independent Namibia will be a positive addition to the march of stability and prosperity in the African continent.

(Mr. Al-Sabah, Kuwait)

We look forward to the day when we shall celebrate the admission of the independent State of Palestine to membership of the United Nations. The United Nations and the world community are required to extend all their support to the Palestinian people's struggle until it gains its legitimate rights, and mainly its right to establish its independent State, with Al-Quds Al-Sharif - that is, the Holy City of Jerusalem - as its capital.

The historical experiences that mankind has undergone have taught us that there is a strong link between economic stability and political stability in the world, and that stability in international economic conditions is an important element in creating an atmosphere of peace and co-operation between all members of the international community. And there can be no doubt that developing countries play an outstanding role in the growth and stability of the world economy and in expanding its base, all of which are needed for the prosperity and welfare of all nations. Against that backdrop this special session of the Assembly has now been convened to debate international economic co-operation and the revitalization of economic growth and development in the developing countries.

We meet today while hopefully taking our first steps on the path of the 1990s, having wrapped up the records of the 1980s: a decade which was certainly one of the worst times through which many developing countries have ever lived.

The world economy in that decade experienced financial and commercial disorders and setbacks and negative growth rates in developing countries. That came about because of the sharp and continuous decline in the prices of commodities, including oil, which constitute the backbone of the national income in developing countries, and because of the upturn in the prices of manufactured goods, the rising interest rates, the intensifying debt crisis, the negative transfer of financial resources to service the debt, and fluctuating exchange

(Mr. Al-Sabah, Kuwait)

rates. Moreover, protectionist restrictions emerged as developed countries forged them to impede the free flow of products from developing countries into their markets. Investment in the markets of developing countries also decreased, and there was an intensification of the phenomenon of the monopolization by developed countries of the fruits of their technical advancement. The developing countries have been denied access to this vital heritage, which should be harnessed for the benefit of all. All this coincided with exacerbating poverty, desertification, drought, damage to the economic environment, and the scourge of increasing natural disasters as well as the worsening phenomenon of the production and abuse of narcotic drugs.

All those adverse conditions have combined to form a barrier to the developing countries' endeavour to engage in an equitable dialogue with the developed countries in order to participate in setting the policies and formulating the decisions which influence the world economy.

That decade was also characterized by the exhaustive efforts many developing countries exerted to implement harsh austerity and adjustment programmes in order to meet the conditions set by the lending Governments and institutions in developed countries. The most notable outcome of those efforts were riots and unrest, since the efforts adversely affected the most basic needs of the poor, thus aggravating their living conditions and causing a further deterioration in the living standards in most developing countries compared to what they had been in the 1960s and the 1970s.

On the other hand, the curtain dropped on the 1980s with astounding, historic developments - developments that the world continues to witness. Most noteworthy was the détente and the new spirit of co-operation between the two super-Powers and the two camps they lead, and the resulting winds of change that are beginning to

(Mr. Al-Sabah, Kuwait)

blow, transforming in their course previous economic and political perceptions. Consequently, we are witnessing a diminution of the threat of nuclear annihilation and a deceleration in the arms race and its negative effects on development. However, driven by our historical responsibility for the well-being and security of humanity, we hope and demand that this positive trend will not lead to the intensification of other forms of rivalry between countries, in which economic spheres will be the battleground, at the expense of the developing countries' strategic interests.

Perhaps one of the foremost issues that concern all circles interested in the economic conditions of the developing countries is the negative transfer of resources from countries of the South to those of the North. This is an issue that places this special session before a crucial test and imposes on it a major responsibility for correcting this unacceptable situation.

(Mr. Al-Sabah, Kuwait)

The World Bank's latest annual report reveals that the developing countries transferred $50 billion to the developed countries in 1988, $12 billion more than in 1987. The report concludes that the situation highlights the urgent need for prompt and effective action to reduce the developing countries' debt stock and interest rates, which increase their negative transfer of resources. Those interest rates also perpetuate the present economic stalemate and impede economic development.

Having seriously deteriorated, the debt crisis of developing countries now looms over the entire international financial and monetary system. It menaces the fabric of human cohesion. It continues to require a decisive cure, since the interests of creditors and debtors alike are vested in the health of the international system of finance. Constructive solutions must therefore be sought through negotiation, either by reducing or rescheduling the debt principal, reducing interest payments, writing off the official debts of the least developed countries, or linking the principal and interest payments to the debtor countries' exports. Whatever the solution, it must not be linked to a halt on new loans, or investments or other assistance for the development of those countries, or attached to crippling conditions that affect the daily bread of poor peoples.

What compounds the crisis, according to the World Bank report, is that one third of the bank loans currently granted to developing countries have become "adjustment" loans, not loans for financing projects.

His Highness Sheikh Jaber Al Ahmad Al Sabah, the Emir of the State of Kuwait, has grasped the profundity of the problem and presented appropriate solutions based on the principles of justice and the spirit of mutuality and altruism, hoping that the world community would be responsive to the consequences of the problem, the effects of which have become a huge burden on the economies of developing countries.

(Mr. Al-Sabah, Kuwait)

The developed countries are called upon to assume their responsibilities within a collective context for a decisive solution to the problem, which endangers the essence of development and shakes the pillars of economic stability in the developing world.

Another cause for concern is the continuous backsliding in the terms of trade of developing countries and the decline of commodity prices, which represent a significant component of their economies. We find that among the most conspicuous causes behind the deterioration of trade are the protectionist policies pursued by the industrialized countries - policies which have begun to assume new forms that were not condoned by international economic organizations.

In a recent report, the Secretary-General pinpointed the source of the malady when he said that the industrialized countries seldom take into account the impact of their economic policies on the developing countries; that the seven major industrialized countries focus on their own affairs when they debate their policies; and that they view the advancement and development of third world countries as a totally separate matter.

Thus, if there actually exists a decisive international will to extricate the developing countries, in particular the least developed ones, from that vicious circle, the developed countries - especially the seven major industrialized Powers - must adopt a new course in order to improve the international economic environment and prompt economic growth in developing countries. They must do so with a balanced, consistent co-ordination between themselves and the developing countries within a consensual framework, such as the North-South dialogue. Attention must also focus on effective development and structural projects rather than on short-term procedures.

Kuwait believes that financial flows to developing nations are the life-blood of those countries' development programmes. In the 1970s, the United Nations set a

(Mr. Al-Sabah, Kuwait)

target for the flow of resources at 0.7 per cent of GNP. The available figures do not indicate an adequate response by the industrialized countries to that request, while the same data indicate that the State of Kuwait, a developing country, had become one of the few countries in the world whose development aid amply surpassed the target of 0.7 per cent. Kuwaiti development aid represented in some years over 3.5 per cent of GNP, making Kuwait the eighth-ranked country in the world in terms of loans granted in proportion to its gross national income, according to the latest OECD report.

If the developing countries are to achieve the necessary development leap, the industrialized countries must be encouraged to step up their imports from them and to liberalize their trade systems by abolishing all protectionist policies which obstruct the developing countries' exports. The stability of commodity markets must also be secured, and the imbalance between the prices of commodities exported by the developing countries and the prices of manufactured goods that they import from the industrialized countries should be corrected.

We also believe that the developing countries themselves have a responsibility to improve their economic conditions. They must curb the tendency towards inflation in their economies, seek to enhance the efficiency and effectiveness of their domestic institutions in all sectors, improve the performance of management, invigorate their international competitiveness, secure the active stimulation of national savings, adopt sound national policies, create the appropriate conditions for local and foreign investments, refrain from all projects and spending programmes that do not aim at development, and optimize the utilization and appropriate handling of national resources and wealth, as well as external assistance for the benefit of development and the betterment of the living conditions of their peoples.

(Mr. Al-Sabah, Kuwait)

My country's delegation also wishes to stress here the importance of reactivating the role of the United Nations, the multilateral institutions, and machinery to enhance international economic co-operation and co-ordinate and guide policies for revitalizing economic growth and development. And because we are confident that our world Organization is the most appropriate forum for that role, all of us must seek to enable the United Nations to play a leading and lasting role in the economic and social fields and in other issues of common global interest, such as the issues of environment and narcotic drugs.

The issue for which this session has been convened is a crucial and critical one for the future of mankind. Hence, it is our responsibility, while taking our first steps on the road of the 1990s, to capitalize on the existing political will and use it to achieve comprehensive economic development that encompasses all nations. Let us cast off our despair over any previous economic experiences, and let us instead pave the way to a future in which everyone will live in solidarity and equality.

Mrs. CHALKER (United Kingdom): I am delighted to be present at this session. We live in momentous times, in which the United Nations has a central role to play. Great changes have taken place in the world since the decision was taken in early 1989 to hold this special session, changes which allow us to welcome Namibia most warmly to this family of nations. While fully cognizant of all the changes, we must ensure that the world community continues to focus attention on the truly monumental problems of the poorer countries.

The more affluent countries have an important role to play in supporting sustained programmes of economic recovery and development. But the prime responsibility for achieving economic progress rests with the poorer countries themselves. They need to continue pursuing policies that will keep inflation under control and encourage domestic resource mobilization and foreign investment. Such policies need to include realistic exchange rates, tariff reform and more market-oriented policies, such as the encouragement of agriculture and the privatization of parastatals.

Market forces and an increasing role for the private sector are vital elements in ensuring that resources are allocated efficiently. Most countries recognize this, and many are putting such policies into practice. I welcome this whole-heartedly. It is a long and arduous road - as we in Britain know very well - but it is vital to continue with properly organized structural adjustment programmes. Equally, it is important to protect the most vulnerable groups in implementing these programmes. We recognize the arguments for structural adjustment "with a human face". We take them fully into account in targetting our aid programme and in our support for Governments which, in carrying out structural reforms, do all in their power to ensure that the poorest and most vulnerable sections of the population are not those that suffer most.

(Mrs. Chalker, United Kingdom)

Essentially, the central role of government should be to hold the ring - to create the economic conditions in which private enterprise can act as an engine for growth. To perform this role effectively, as the recent World Bank report on the perspectives for sub-Saharan Africa pointed out, government must be good government. Government should not seek to control everything. It must, above all, allow diversity - not just economic diversity but political diversity too. The experience of Eastern Europe teaches us that you cannot expect to have one without the other. Each society must develop its own political model, but some form of democratic pluralism is essential.

The poorer countries need help as they tackle their problems, as the major donors recognized at the Development Assistance Committee high-level meeting of the Organization for Economic Co-operation and Development (OECD) last December. Substantial aid efforts will continue to be required. But official aid is only one factor among many affecting development. For many countries, private flows are equally, if not more, important. But the best contribution that the industralized countries can make is to maintain policies that provide for stable growth in the world economy. This growth has been sustained by focusing policies on improving the efficiency and flexibility of the major industrialized economies and by strengthening their co-operative efforts. A supportive international economic environment will strengthen the efforts of Governments tackling painful but necessary adjustment measures.

It is therefore vital that all countries should work together for a successful conclusion to the Uruguay Round of multilateral trade negotiations. Difficult decisions will have to be faced, but the goal of a strengthened trade system underpinned by the General Agreement on Tariffs and Trade (GATT) will work in everyone's interest, and we have to make GATT work as it should. Real economic

(Mrs. Chalker, United Kingdom)

recovery and co-operation can be sustained only through an open trading system. Protectionism is a common problem against which we must all fight.

We are not indifferent to the plight of those poorer countries that are carrying heavy debt burdens. Far from it. In recent years, Britain has taken the lead in debt relief programmes, particularly for the poorest countries. The value of old aid debts we have cancelled has now passed £1 billion. We shall continue to co-ordinate our assistance to indebted countries with our partners in the international financial institutions. The forms of multilateral and bilateral assistance have become more varied and flexible. I am thinking not only of major initiatives such as the Toronto terms for rescheduling the official debts of the poorest countries but also of more detailed relief measures, such as the help with old multilateral-debt and commercial-debt buy-backs now available under the World Bank's special programme of assistance for Africa. But there can be no "quick fixes".

The same is true in the case of commodities. A number of poorer countries are heavily dependent on single commodity exports. But the way forward is not through mechanisms which distort markets. It lies rather through competitive response to the demands of the market-place, and economic diversification to reduce commodity dependence.

I now want to turn to the three most important issues on our agenda for the 1990s. These are the inextricably linked questions of population growth, the environment and sustainable development. But first let me say something about poverty. It is intolerable that, despite continuing global economic growth, the numbers of absolute poor in the world continued to rise. We all know the difficulties of addressing this issue - cultural, social and even religious obstacles which reinforce the misery of those at the bottom of the economic heap.

(Mrs. Chalker, United Kingdom)

Women, in particular, are denied education and are often also denied the social freedom to exploit their own talents as producers, managers and entrepreneurs. Yet the poorest countries pay a high price for thus wasting the ingenuity and brainpower of over half their human capital. Governments often compound this because they see no obvious and immediate financial pay-off from investment in the poor, and because some of them are worried about undermining what they see as the social order and the distribution of rights in their society.

Secondly, let me turn to the crucial issue of population growth. Just listen to the figures. Two hundred years ago the population of the world totalled less than 1 billion. It is now over 5 billion. There will be more than 6.25 billion people by the end of this century. Even though world population growth rates are slowing, the annual increase is still currently about 90 million people. Even on the more optimistic scenarios, we shall see a doubling of the world's population by the year 2050, and about 90 per cent of this increase will be in the developing world. This will place formidable demands on the resources of those countries.

(Mrs. Chalker, United Kingdom)

To ignore population growth is to hasten environmental degradation, and within our human resource and health programmes we must all make a supreme and urgent effort to help provide parents with education about the impact of population growth on their own land and society, with knowledge and with the means to decide voluntarily their family size.

Thirdly, I turn to the environment. I see the 1990s as the decade in which we must work for the environment, and I mean "must" because it is a question of survival. We all have a stake in our world. Environmental problems know no geographical boundaries; neither should their solutions. These solutions will demand international ingenuity and enterprise. Western Governments and industry have a responsibility to offer a lead and to help the developing countries both with advice and with funds in addressing issues such as chlorofluorocarbons (CFC) substitution. In the same spirit it is vital to pay more attention to measures that will support energy efficiency and conservation. Britain will play its role in developing and marketing sustainable technologies, especially those concerned with cleaner power generation and more efficient power transmission and distribution.

The concept of sustainable development applies to the activities of us all, rich and poor nations alike. All contribute to the environmental problems we face and we all therefore have to reappraise the way we affect the environment, seeking to meet the needs of the present, but without compromising the ability of future generations to provide for their own needs. Development that is not sustainable just is not development at all.

Finally, let me turn to Eastern Europe. The newly emerging democracies there face a unique challenge: to match their political freedom with economic emancipation through the conversion of command-run economies into functioning free market systems, and the economic setting for this transformation could not in many

(Mrs. Chalker, United Kingdom)

cases be more unfavourable as they grapple with the legacy of communist rule. The challenge ahead is formidable, but the West has responded promptly and effectively, in particular by providing skills and expertise that will be needed to run democratic and free market systems.

I want to emphasize that this assistance must not and will not be to the detriment of the poorer countries. The changes in Eastern Europe can represent a real opportunity for the developing world, not a threat to it - for example, by opening up new markets for tropical produce. As far as development assistance is concerned, the United Kingdom has made it clear that our help for Eastern Europe is separate from that given to the poorer countries through our traditional aid programme, which is planned to continue growing in real terms. And European Community aid to the poorer countries under the Lomé arrangements has recently been increased very substantially in the European Development Fund (EDF VII). Naturally, however, in the developing countries, as in Eastern Europe, we shall want to take into account the policy environment into which aid is injected so that it comes to be fully effective.

I was delighted to see from a recent survey that the public no longer views the United Nations as the sterile talking shop it sometimes appeared to be in the 1970s and early 1980s. They will have been encouraged, as I was, to read the statesmanlike statements of my Bolivian and Yugoslavian colleagues yesterday. We recognize the United Nations as a body with a vital role to play in resolving conflict and promoting peace and development throughout the world. I believe that this special session offers an important opportunity to take forward a number of crucial issues - in particular, the implications of population growth; the environment and the legacy we hand down to our children; the importance of sustained and sustainable development, and the need to support and encourage those countries which have grasped the nettle of economic reform.

This is an opportunity. We should seize it with both hands.

Mr. ALKHADER (Yemen) (interpretation from Arabic): At the outset I should like to convey to you, Sir, on behalf of the two parts of Yemen our congratulations on your election to the presidency of the eighteenth special session of the General Assembly devoted to one of today's principal problems, namely, international economic co-operation, in particular the revitalization of economic growth and development of developing countries. We are convinced that it is your wisdom and competence, demonstrated during your presidency of the General Assembly at its forty-fourth session, that will ensure the success of this special session, yield positive results for the international community as a whole and serve the cause of international peace and security.

The admission of the Republic of Namibia as a fully fledged member of the Organization represents the crowning of United Nations efforts over 40 years, with the proclamation of Namibian independence last March. On this immortal occasion and, on behalf of the two delegations of Yemen, I have the pleasure of welcoming the Republic of Namibia to the international community. Here, I would pay tribute to the role of the United Nations Council for Namibia as well as to the significant efforts of the Secretary-General, Mr. Javier Pérez de Cuéllar, and the team that has assisted him in his task.

In spite of positive changes in the climate of international relations, which have been reflected by détente, the policy of co-operation and the peaceful settlement of international disputes with a view to establishing a world free from the threat of annihilation in which international peace and stability shall reign, the present international economic situation continues to pose a major threat to international security. The problem is especially exacerbated by the persistence of crises in the international economy, the decline in international economic co-operation, the growing gap in the disparities and inequalities between developed and developing countries, the high interest rates on loans, the debt crisis, the

(Mr. Alkhader, Yemen)

trade barriers and, not least, by the adverse flow of resources from developing to developed countries. Hence, we have to redouble our efforts and co-operation in striving to bring about an international economic order based on justice and the equality of all countries, thereby reducing the gap between the developed and developing countries, in particular the least developed.

In Yemen, we are determined to adopt significant and bold measures in dealing with the problems of development through increasing economic co-operation, multiplying trade relations and redoubling all forms of co-ordination between the two parts of Yemen for the benefit and prosperity of our people. In fact, the level of co-operation achieved between the two parts of our country can be demonstrated by the abolition of trade barriers; Yemen is today a single market.

(Mr. Alkhader, Yemen)

We are now working to bring about unity as the most advanced form of integration with a view to accelerating our development. At the same time, we are striving to extend regional co-operation with our neighbours in the Arab Peninsula and East Africa, which is not only an urgent necessity but also an indispensable step towards broader co-operation among developing countries.

These important measures being taken by Yemen are linked by their very nature to the world economy, which has become increasingly interdependent. Developed and developing countries must therefore start a serious dialogue to find common solutions to the problems facing the world economy, including reforming the financial, monetary and international trade system for the benefit of both developed and developing countries.

The process of development in the Middle East, to which we belong, is subject to many constraints, foremost among which is military expenditure, in particular an arms race in nuclear and sophisticated weapons. We must all see to it that these barriers are removed in order for the Middle East to become a zone free of nuclear, chemical and bacteriological weapons. All countries of the region must be placed under international surveillance in this respect.

The impact of the external debt crisis on the development process that emerged in the 1980s has had grave effects politically, economically and socially and has impeded development in these countries. The total indebtedness of developing countries has exceeded half their gross national products. The burden of debt servicing is a heavy one, given the higher interest rates. Because of the outflow of resources and the decline in export revenue, an increasing number of developing countries have either suspended debt servicing and/or are in arrears. This is a direct outcome of the present economic climate, which is characterized by recession, instability in exchange rates, decline in commodity prices, adverse flow of resources and protectionist measures.

(Mr. Alkhader, Yemen)

The adoption of a narrow-minded or patchy approach has proved ineffective and incapable of solving the problem. In our opinion a global policy must be pursued, with the participation of creditors and debtors, together with international financial institutions. This approach should be based on the sharing of responsibility and on respect for each country's right to chart its own economic policies.

The external debt problem is one aspect of the bad performance of the world economy. The problem has acquired serious political dimensions that require developed countries, along with international financial institutions, to help debtors take measures to ease their debt burden.

In this regard my delegation welcomes the latest initiatives aimed at reducing outstanding debts and the interest on them.

The absence of fair economic relations and the world economic crisis have impeded the capacity of developing countries to participate in international trade. Their products encounter unstable markets and constantly declining prices, as well as lack of access to the markets of developed countries. They also run up against protectionist measures, unfair competition and the strong role of transnationals in price determination. Consequently developing countries are being marginalized in the world economy and withheld from participating in international trade, which has further increased the gap between developed and developing countries. We must therefore restore confidence in international trade so as to take objectively into account the interests of developing and developed countries alike in accordance with agreed rules. Another aim should be to stimulate sustainable development within the framework of a multilateral trade system.

The life of privation and poverty that is the lot of more than two thirds of mankind cannot be allowed to continue. Therefore we must strongly support the developing countries in solving their economic and social problems by promoting

(Mr. Alkhader, Yemen)

solid international co-operation. This co-operation must be based on justice and equity to permit all countries, rich and poor, to participate on an equal footing and without discrimination. We believe it necessary to continue the Uruguay Round on multilateral trade.

Studies and estimates indicate that developing countries will suffer from a grave lack of development financing in the foreseeable future, if the flow of development assistance is not restored to its previous levels. Prospects for development will remain almost nonexistent whatever the efforts exerted by developing countries. Similarly, the pressure brought to bear by certain developed countries on international and regional financial institutions and banks, particularly the World Bank and the International Monetary Fund (IMF), to impose politically motivated conditions on developing countries impede both economic development projects and planning, as well as international co-operation. Therefore, the efforts of Governments, multilateral institutions and commercial banks with large surpluses in developed countries must be redoubled to increase resource flows for developing countries. The policy of IMF must also take into account the needs of all countries in terms of production and employment, together with the political, economic and social circumstances of each country.

The deterioration of the environment is one of the gravest problems threatening the whole of mankind. The erosion of the ozone layer, drought and desertification are posing problems with disastrous consequences to the existence and development of entire communities. It is a problem of concern to both developing and developed countries. In this connection, we attach great importance to the United Nations Conference on the Environment and Development to be held in Brazil in 1992. We must spare no effort in working to protect our planet and to ensure a better environment for present and future generations.

(Mr. Alkhader, Yemen)

The holding of this special session is most timely and provides us with a unique opportunity to promote dialogue and international economic co-operation. It is an opportunity to find just and equitable solutions to the debt crisis and the means to ensure adequate financial transfers to developing countries in order to safeguard the right of every country to obtain financing from whatever source, with no strings attached. Our aim should be to help developing countries achieve their objective of sustained and equitable development by providing them with access to international markets, stimulating regional co-operation and promoting the transfer of technologies.

The special session should focus on the promotion of international and regional economic co-operation, the co-ordination of international economic policies designed to take a common approach to laying the foundations for a stable international monetary and financial system, an integrated world economy, an equitable trade system and promoting the development of the human resources of developing countries, which is an issue closely connected with international economic growth and sustainable development. The session must also examine directives to promote international economic co-operation and multilateralism, including the co-ordination of macro-economic policies in keeping with the policies and objectives of development.

Progress is lacking in efforts to reform the international monetary and financial system and to restructure it viably so that it can meet the needs of developing countries for progress. Such progress is a prerequisite of international co-operation.

The two parts of Yemen support the proposals on the International Conference on Financing and agree with the request of the Group of 24 for the creation of a committee representing the Ministers of developed and developing countries to prepare for the conference.

(Mr. Alkhader, Yemen)

We also support programmes and United Nations strategy aimed at achieving development and equitable progress. This session should provide momentum for the second United Nations conference on the least developed countries, to be held at Paris in September.

Mr. BAKO (Niger) (interpretation from French): Having witnessed your skilful leadership of the Assembly at its forty-fourth session, Sir, we are naturally pleased to see you presiding over the work of this historic special session devoted to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries.

The session is historic for more than one reason. First, it is taking place at a time when the world is undergoing deep changes at the strategic, political, ideological, economic and environmental levels, which are creating new international relations and which will undoubtedly have a decisive impact on the future of societies, nations and individuals.

The session is also historic because of the legitimate hopes that the whole international community places in it, hopes that it will result in concrete, courageous and innovative decisions that can decisively influence the balance of our world at the dawn of the third millennium.

Finally, the session is historic because the Assembly is meeting today with the participation of 160 States, following the admission at the beginning of the week of the newest Member, the Republic of Namibia, which my delegation warmly greets and welcomes. The independence of Namibia, today seated among the free, sovereign nations of the world, is a major victory and a cause of legitimate pride for the United Nations and the Secretary-General, Mr. Javier Pérez de Cuéllar, to whom I am pleased once again to pay tribute. Niger salutes his patient and tenacious work as the head of the Organization to promote the ideals of peace, justice and international co-operation.

(Mr. Bako, Niger)

Remarkable progress has been made in strengthening international peace and security and establishing a climate of détente among peoples. However, much remains to be done to consolidate what has been achieved, while promoting the much-desired advent of a new international economic order, which will create well-being and prosperity for all.

The world economic situation continues to be marked by crisis. I shall not take up time by describing the worrying state of affairs in the separate development of North and South. I simply recall, as an example, that in 1971 the United Nations listed 24 countries in the category of least developed. Today, almost 20 years later, there are 42 countries in that category. This negative performance by the developing countries is the result of a whole series of factors: the debt crisis; the fall in commodity prices; increased protectionism and the lower volume of investments; and the steady decline in official development assistance, where the target of 0.7 per cent of gross domestic product seems more distant with each passing year.

The peoples of the developing countries have pinned their hopes on many meetings and conferences. Exactly four years ago the Assembly held its special session on the critical economic situation of Africa, which resulted in the adoption of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (S-13/2). Today, as we enter the fifth year of that Programme, the economic situation of the continent, whose recovery and development were the two fundamental goals, has hardly improved. The mid-point review, carried out in 1988, revealed that the response expected of the developed countries and the international financial and economic institutions did not measure up to the efforts demanded of the African countries and the constraints and sacrifices they had decided, as sovereign nations, to impose on their peoples.

(Mr. Bako, Niger)

Even before the adoption of that Programme of Action, many African countries had undertaken reforms of their economic policies and had adopted austerity measures to improve their economic and financial climate and to ensure a rapid and lasting recovery of major sectors of their national economies. That means that adjustment is an inescapable necessity as the basis for a lasting development structure and to promote factors for internal growth. Its implementation requires the co-operation of all - development partners and social partners - in taking action in the key sectors, which are, particularly in Africa, rural and social development.

The reality of the situation in Africa today is that the quality of life is being degraded, and therefore adjustment will succeed only if the conditions are created to enable people to understand its purpose. That will happen only if the policies adopted improve the socio-economic climate and bring about an appreciable improvement in personal income - not in the distant future, but immediately.

The debt crisis, another phenomenon of this end-of-the-century period, is today the main worry of the developing countries. According to World Bank statistics, the total debt of the third world countries had risen to a total of $1,290 billion at the end of 1989. The consequences of such a heavy debt burden are immeasurable. However, the problem is clear. All observers recognize that a large part of the debt can never be repaid and it will be necessary to draw up and adopt courageous measures, largely political, to reduce the debt burden by other means.

The important decisions taken in Toronto, as well as the measures adopted by the Governments of France, the United States, Japan, Italy and Belgium, are very much appreciated. However, we believe that they should be accompanied by similar efforts to restructure the private debt.

(Mr. Bako, Niger)

In any event, Niger believes that what is truly needed is a comprehensive, definitive solution resulting from consensus following frank dialogue and a multilateral meeting of debtors and creditors.

The current session precedes four crucial dates in the calendar of multilateral co-operation and development activities.

There is, first, consideration of a new strategy for the Fourth United Nations Development Decade. The achievements of the 1980s were such that it is generally regarded as a lost decade. We therefore have high hopes of a new strategy to promote growth and development.

Next there is the second Paris Conference on the Least Developed Countries, which should be an occasion for stock-taking with regard to implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in 1981, and for the adoption of realistic, but ambitious, goals for the 1990s. On the one hand, they should aim at ending the worsening socio-economic situation, already precarious, of the least developed countries, and on the other they should involve those countries in working towards sustained, lasting development. The Conference should obtain new resources for the Programme to be devoted to priority development sectors - particularly agriculture, education and health - on the basis of mutual, responsible commitments entered into by the lenders and the least developed countries.*

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* Mr. Vraalsen (Norway), Vice-President, took the Chair.

(Mr. Bako, Niger)

The third landmark, the trade negotiations of the Uruguay Round, now in their final stage, have shown the fundamental role played by trade in development strategies. Here we have a sector in which developing countries find themselves in a situation of extreme marginalization. There are numerous and well-known obstacles to the efforts of developing countries which considerably reduce their ability to participate fully in world trade.

Our goal should be, on the one hand, to eliminate tariff and non-tariff barriers and, on the other, to increase the capacity for processing, marketing, distribution and transport of commodities and products of developing countries.

Lastly, economic growth and development are inextricably linked to the environment. According to the excellent Brundtland report, "Environmental degradation could undermine economic development".

The crisis of the environment is a major risk. In the Niger, we view this crisis with genuine concern. It is true that despite the efforts made, desertification has increased, creating dangerous imbalances in the Sahelian eco-system, and, beyond the Sahel, in that of all Africa. As recently stated by President Ali Saibou:

> "Emphasis should be placed on the control of surface and underground waters, on building reservoirs and agricultural dams, on the rational management of agricultural and livestock systems, on strengthening and adapting agricultural research and on developing irrigated crops, particularly off-season crops."

In this connection, the Niger has placed much hope in the French initiative to create in the near future an observatory in the Sahara and the Sahel, which we hope will lead not only to basic and applied research activities in the area of environmental preservation but also to useful initiatives in the struggle against desertification and deforestation.

(Mr. Bako, Niger)

Similarly, we have high hopes that the 1992 conference on environment and development will adopt vigorous, concerted and global measures in this vital area of our common future.

Today, at the end of the century, it is a truism to say that mankind faces a turning-point in its history. What we have at stake is both simple and complex. We must succeed. This success is possible, provided that we abide by the values which bring us together here in this hall. It is possible, provided that we heighten our common perception of interdependence and co-operation with a dynamic conviction of a unitary world, in our refusal to harm the dignity, or indeed the survival, of the human race. No one will enjoy long-term stability and prosperity so long as poverty is widespread, so long as famine continues, so long as imbalances and injustices persist, and so long as the world economy operates in a disorderly and precarious fashion.

Thus, the challenge we face is the need to respond positively and urgently to the concern, anguish and suffering of millions of human beings, through specific and imaginative action which gives reason to hope for a better future: such is the price of world peace and harmony.

Mr. BENJELLOUN (Morocco) (interpretation from French): The eighteenth special session of the General Assembly is unique of its kind, inasmuch as our Organization has set itself the task of reactivating the world economy and revitalizing international co-operation through the network of North-East-South relations in the new context of a situation in which there are many interacting factors unprecedented in human history.

Indeed, for the first time, our Assembly is embarking on negotiations on co-operation and development without our goals being obstructed by ideological antagonisms or jockeying for supremacy.

(Mr. Benjelloun, Morocco)

Henceforth, within the context of multilateralism, which is becoming truly universal, the concern is no longer to undermine one's rival or enemy, to work for the triumph of an ideological system, or to proclaim the superiority of one civilization over another. What is at stake now is saving the human race as a whole, tapping the resources of concord and the peace dividend.

In this framework, aware as we are of the particular importance of the President's task, the delegation of the Kingdom of Morocco is happy to extend its congratulations once again to Ambassador Garba of Nigeria on his unanimous election to the presidency of the Assembly at this historic session and to his fellow officers of the Assembly on their election. We see great significance in the fact that through Ambassador Garba and his fraternal country, Africa has taken its place at the very heart of the upheavals and mutations of the present day.

My delegation would like to take this opportunity to pay its respects to the Preparatory Committee and its Chairman, who for months devoted their best efforts to the start of a process of negotiation unparalleled in the history of international relations.

In so doing, we reaffirm our faith in our Organization and our confidence in its Secretary-General, who have demonstrated their matchless ability to rally the international community, including the very highest political levels, around a world agenda which contains some of the greatest challenges of our time.

The start of this special session, which has raised hopes in the four corners of the globe, coincides with the admission of Namibia to the United Nations family, and this is an excellent omen.

On behalf of the Government of His Majesty the King of Morocco, we take pleasure in extending our best wishes and welcome to the Namibian delegation, whose presence among us marks the total decolonization of Africa and promotes the dismantling of the odious apartheid system.

(Mr. Benjelloun, Morocco)

The twentieth century, now coming to a close, has been among the most complex of centuries and the most fraught with consequences. In many respects it will remain in our memories as a major retrogression of the human conscience, marked by the emergence of evils unknown in the history of mankind. We have lived through two world wars and dozens of local conflicts, each more destructive than all the atrocities of earlier times. We have known totalitarianism in its worst forms, Fascist genocide, concentration camps and nuclear weapons.

We have lived through the fear of a period marked by the cold war, the division of the world into two hostile ideological camps, the suicidal arms race and the confinement of peoples in ghettos of insecurity and intolerance.

Today, with the easing of world tensions, we have the opportunity to turn the page on this sorry record and strengthen human solidarity. The emerging world-wide intellectual consensus on the supremacy of law and the democratic ideal has restored a universal standard to the human lexicon, and we therefore welcome this fervour for peace and wisdom with gratitude and humility as a true manifestation of divine providence.

The historical matrix constituted by this closing century has broken age-old patterns of life and ways of thinking, since our time has seen a giant step forward in universal decolonization, a phenomenon of expanding urbanization, substantial progress in means of global communication and a fundamental revolution in ideas and human rights, as well as an unparalleled aspiration to prosperity and development.

(Mr. Benjelloun, Morocco)

At the same time, we are witnessing the greatest demographic explosion in human memory, accompanied by pressures on the natural environment that dangerously threaten the balance of the global ecosystem. The second half of the twentieth century has also produced more inventions and technological innovations than have emerged in the whole of previous human history.

The combined effect of all these sophisticated discoveries has radically altered the structures of the production of goods and services, of industry and trade, of education and health, and of many aspects of social political organization. The post-war technological revolution, by transforming the industrial economy into one based more on brainpower, has both radically altered our concept of development and destructured our value systems, while paving the way for responsible macro-management of our planet.

Until mid-century, men and goods, ideas and capital all circulated at the same speed. This is no longer the case today, when computers and satellites have made former concepts of time and space obsolete and have transcended frontiers and sovereignties. In addition, the notion of the nation-state, the fruit of the philosophical concepts and political institutions of the past two centuries, is now undergoing a metamorphosis brought about by world-wide structural changes.

At the international level the modern State's scope for action is being narrowed by the need for economic regroupment, political integration, monetary union and the overall expansion of multilateralism.

At the national level, the central State is gradually giving way to the increased competence of local authorities, the development of associative life and the exercise of fundamental freedoms.

In many developing countries economic policies based on so-called structural adjustment are being conceived and imposed by multilateral financial and developmental institutions.

(Mr. Benjelloun, Morocco)

At the global level, transnational corporations and the major international banks have created networks to control data processing, the brain drain, the circulation of goods and the flow of capital, all acting on behalf of their own strategies and in disregard of national regulations.

Although the nation-state was hitherto the principal promoter of economic and social activity, there is now an erosion of its ability to influence phenomena whose increasing globalization is being intensified by technological innovations in the fields of transport and telecommunications.

The socialist States have finally recognized the implacable logic which ordains that in the information century the most precious capital resides in scientific knowledge and in the broadening of the intellectual horizon and the creative mind.

Hence a growing number of States now understand that to safeguard their country's position in the international arena, they must master the new triangular relationship that now exists between economic prosperity, technological development and respect for human rights, which are mutually and cumulatively interactive in a universe of competition with standardized norms.

Today international life is no longer governed by cold-war Manichaeism, and we are witnessing an acceleration of history, not because of ideologies but because its own human and unpredictable impetus. In Eastern Europe and in the developing world we are witnessing an irrepressible upsurge of the demand for democracy, which has become the axis for stability of the international community, of national societies. In this historic phase of convergence it is high time that we should recognize the pre-eminence of man at the heart of development and civilization, for there is no more effective investment than one that promotes human dignity with full civic, political, economic, social and cultural rights.

(Mr. Benjelloun, Morocco)

That being the case, it must be very clearly stated that human rights in the broad sense are not the property of anyone, for no one is a paragon of virtue in this area. The intensification of human rights in democracy at home depends to a large extent on the democratization of international relations and on the abolition of injustices and exploitative relationships, as well as on the creation of an international environment favourable to growth and development.

The chairmen of the Group of 77 and the Movement of Non-Aligned Countries, speaking in this hall, have eloquently argued the case for development and have shown that this special session is the proper place to master the crisis caused by indebtedness and by policies based on short-term adjustment and to master their harmful effect on emerging democracies and the deterioration of human and social rights in the world.

The special session is also the arena in which to stress that the inconsistencies in international trade and in the financial and monetary system have a direct correlation with the destruction of the environment and the exhausting of natural resources, with the spread of drugs and food shortages, as well as with the endemic spread of absolute poverty.

In that connection, there is reason to fear that the easing of the situation on the ideological front might have the corollary effect of diverting our attention from the identitary and racist discourse whose primary victims are the migrant workers in supposedly democratic countries. It is to be hoped that the failure of the collectivist experiment will not be accompanied by a retreat from the ideal of global social justice merely for the sake of productivist norms.

Lastly, this special session gives us an opportunity to make the most tangible expressions of solidarity to the disadvantaged in Africa, Central America and elsewhere, who are doomed, experts tell us, to exclusion and who are being sacrificed on the altar of the most apocalyptic scenarios.

(Mr. Benjelloun, Morocco)

The experience of recent years leads us to question what have been called "models of development." World-wide, models centred on the role of the State have been shown to be grievously ineffective and have in countless cases given rise to a lack of productive zeal, illogical distortions in price relationships and excessive protectionism, all leading to a stifling of private initiative.

Those described as models of integration into the world economy entail, as a counterpart to their extraversion, access to financial resources, equipment and technology, but they also create a return to increased dependence on foreign operators and on world markets and the vagaries of protectionism.

Multilateral financing and development institutions and bilateral agencies for international co-operation are constantly encouraging developing countries and the countries of Eastern Europe to base their economic strategies on world markets rather than on the satisfaction of basic socio-economic needs at the domestic level. Although that strategy of extraversion is costly in foreign-exchange terms, in burdensome technology and in expensive imported personnel, it is viewed in this case as a panacea for development.

Countries which adopt that course are being urged to choose a kind of dominant culture in order to move into a consumer society, which is regarded as a utopia and held up as the sole basis for individual worth and happiness.

Today, while recognizing the primacy of the spontaneous order of liberalism over the decreed order of collectivism, we should nevertheless question the notion of a development model too hastily viewed as universal and hailed as an absolute norm of rationality and an obligatory route for all nations.

We should have been very glad to find that all development problems can be solved through the operation of market forces alone. However, that overlooks the fact that less than 20 per cent of the world's population consumes more than 80 per cent of its principal natural resources.

(Mr. Bengelloun, Morocco)

On the basis of this fact, it can legitimately be stated that the consumer society is not, on a purely mathematical basis, something that can be made universal, while the lifestyles and production modes it presupposes cannot be made general and are not very desirable globally.

Without dwelling today on these false dilemmas which endogenous or exogenous responsibilities constitute in the realm of development, the respective roles of the public and private sectors or the contributions of planning and competition to the setting of strategic choices, the fact remains that the principal future objective is to find an integrated solution to the global problems of the next millenium - problems caused by the exhaustion of resources, demographic tensions, ecological dangers and the imperatives of development, given the progress made in science and technology at the service of mankind. In our view, the circular relationship that exists between these great determining factors should constitute, everywhere, a major cause of concern.

Finally, the new international ambition is to look for a new consensus on a model of universal development which would be economically efficient, socially just, ecologically sound, culturally specific and a promoter of human resources - in other words, a choice of society that would guarantee both the promotion of man in social cohesion and national sovereignty in world integration, while ensuring solidarity between present and future generations.

It is high time to redirect world attention to the human and qualitative dimension of development. In his report to the present special session, the Secretary-General refers to the new challenges to co-operation and development and states:

"At the same time, there will have to be some re-orientation in the nature and pattern of consumption, to ensure that environmental needs are met in the future ...

(Mr. Bengelloun, Morocco)

"... there will need to be a change in the nature of economic growth to reflect the fact that the environment will not provide an unlimited supply of raw materials, nor serve as a bottomless repository for the world's wastes." (A/AC.233/5 and Corr.1, pp. 17 and 28)

In that context, we are pleased to recall that as far back as 1975, during the seventh special session of the General Assembly, on co-operation and development, the delegation of the Kingdom of Morocco foresaw the problems of our era when it stated:

"The main point, in our view, will be to avoid falling into the excess of an economic order which goes beyond the capabilities of both man and nature; hence the urgent necessity of defining ... a new model for consumption based on the fundamental needs of mankind ...

"This new model for consumption, which has been made so necessary by increases in population and the need for wise management of the earth's resources, would make it possible to free new material resources for the production of socially necessary goods." (A/PV.2333, paras. 108 and 109)

Fifteen years later, we want to bring home the same message, from the same rostrum, particularly because several organizations within the United Nations system are undertaking in-depth studies of models of consumption allowing for the adequate satisfaction of the basic human economic and socio-cultural needs, enabling the human being to lead a productive and active life; while a high-level conference of statistical experts will be held this year in Morocco to determine the qualitative social indicators capable of measuring the progress and implementation of these models of consumption.

In the face of future diplomatic undertakings, particularly the new international development strategy and the 1992 Conference on Environment and Development, we cannot sufficiently stress the urgency of completing this research

(Mr. Benqelloun, Morocco)

whose qoal is fully to restore the human and qualitative dimension to our economic policies.

After the qlobal crises that marked the post-colonial decades, we are approachinq the 1990s with qlobal socio-economic problems that inhibit the processes of equitable qrowth and lastinq development in the world. The world-wide nature of these problems pre-empts any unilateral initiative or any partial solution and makes imperative common action to strenqthen international solidarity and co-operation.

On the basis of the fact that the developed countries often tend to overlook the consequences their policies have for the developinq world and that many commercial, monetary and financial crises could have been avoided, or at least attenuated, through dialoque, we believe that the primary object of this special session is to establish concertation machinery to strenqthen and expand multilateral monitorinq to promote world-wide qrowth and development.

Indeed, the new international situation is propitious for the establishment of qlobal multilateral monitorinq which will make possible effective co-ordination of macro-economic policies between the representatives of the countries of the North, the East and the South, each actinq in proportion to its weiqht in the world economy. This renewed and expanded monitorinq is the best means of quaranteeinq equitable and symmetrical international adjustment, while promotinq the adoption by the developed countries of policies favourable to the qrowth of the world economy and compatible with the concerted qlobal objectives and the major imperatives of development.

We can leqitimately expect from this an improvement in the world economic environment, and primarily the qradual improvement of the international monetary, financial and commercial system.

(Mr. Bengelloun, Morocco)

We firmly believe that at a time when mankind is beset with global challenges of rare gravity, the participation of all interests in the process of decision-making is imperative because of the macro-management of the world within the framework of collective and shared responsibility.

From that standpoint, it is crucial to strengthen the United Nations system and to restructure its economic and social bodies so as to prepare the Organization, with its irreplaceable attributes, to shoulder more responsibility in realms of new competence and to become, as stipulated in the Charter, the place par excellence for the harmonization of the interests of the international community.

Permit me to conclude by saying that the horror and fury that have followed in the wake of this century, as well as the glimmers of hope that have been engendered, have traced a new frontier for mankind. In this regard, the constant policy of my Sovereign, His Majesty Hassan II, King of Morocco, has been to promote continuous dialogue between all the components of the international community, to issue the same global challenge to ignorance, poverty, hunger; to disease, cataclysms, desert-fication; to the sequels of colonialism, apartheid, hegemonism; to outside interference, envy, resentment; to the arms race, war - all wars; finally, to economic chaos, social injustice, this materialism which alienates and reduces man to the rank of a greedy consumer and a production machine.

From this rostrum I appeal to the countries bearing a heavy responsibility for the conduct of international relations to adopt energetic policies to uproot the germs of violence, of exclusion and of intolerance that threaten the human race.

Indeed, there can be no doubt that it is by enabling the peoples of the world to enjoy standards of living compatible with their dignity and to play their proper role on the international arena that it will be possible to avoid the pernicious

(Mr. Benqelloun, Morocco)

consequences of an explosive situation, threatening the whole of mankind. For the fact is that now no one can be permanently protected on a planet that constitutes an interdependent and indivisible whole.

It remains for us to express the hope that the declaration that will emerge from this special session will include concrete commitments, in the form of a political contract, for the lasting strengthening of international co-operation and human solidarity.

Our common determination will constitute the point of departure of a new social compact between men and with nature and of a new view of the sacred, so that the breath of planetary patriotism may inspire the emergence of a new international social contract.

Mr. YAQUB-KHAN (Pakistan): It gives my delegation great pleasure to see Mr. Garba presiding over the eighteenth special session of the United Nations General Assembly, devoted to international economic co-operation. We are confident that under his able guidance the special session will be able to adopt constructive recommendations to revive and revitalize economic growth in the developing countries.

I should like to welcome Namibia as a full Member of the United Nations. The people and the Government of Pakistan steadfastly supported the courageous freedom struggle of the Namibian people, and rejoice at their independence.

The international political scene has been transformed by breath-taking changes in East-West relations and by brighter prospects for the strengthening of international peace and security. Power blocs are disappearing and many regional disputes are nearing resolution. Earnest efforts are under way to conclude major arms-limitation agreements.

The positive trends in the international political arena have, however, been eclipsed by multiplying problems in the economic field. In terms of development, the 1980s have correctly been described as the "lost decade". Many more millions of human beings live below the poverty line at the end of the decade than did at its beginning. Billions of people eke out an existence in grinding poverty, hunger and ignorance. It is therefore incumbent upon the international community to ensure that the dismal experience of the 1980s is not prolonged.

The experience of the last decade was also most instructive. The developing world realized that the fostering of growth and development is primarily a national responsibility. Furthermore, the precept that the growth and expansion of the industrialized economies would have a trickle-down effect on the economies of the developing nations was invalidated. The longest uninterrupted period of growth of the developed economies in the post-war era was accompanied by economic decline in

(Mr. Yaqub-Khan, Pakistan)

Africa, Latin America and many parts of Asia. Today, the number of people living in absolute poverty exceeds one fifth of the global population. It was also clear that developing countries cannot, despite earnest and sincere endeavours, address the task of development all by themselves. The existence of a favourable international economic environment is an indispensable prerequisite for their growth and economic progress.

The eighteenth special session of the General Assembly offers a unique opportunity for reaching a new global consensus on international co-operation for development. Such a consensus should draw upon the lessons of the past, be rooted in the realities of the present, and effectively address the challenges of the future.

The declaration emerging from the special session should encompass national responsibilities and international obligations. The members of the Group of 77 have demonstrated a commendable awareness of their primary responsibility for growth and development. The proposals they have put forward recognize the responsibility of the developing countries to promote domestic savings and expand and modernize their economies. They have also accepted their obligations to create favourable domestic conditions for investment and capital formation. Those are landmark decisions that need to be acknowledged and reciprocated in full. The international community carries the weight of responsibility to agree on commitments that address the major economic issues of our times.

The most disturbing feature of the 1980s was the phenomenon of a massive net transfer of resources from the developing to the developed countries. It has been established that the negative net transfer of resources stood at the staggering figure of $180 billion during the period 1984-1989.

(Mr. Yaqub-Khan, Pakistan)

We urge the developed world to increase assistance on soft terms to reach the agreed target of 0.7 per cent of their Gross National Product. Similarly, multilateral financial institutions should increase the net transfer of resources to the developing countries on softer terms. To that end, the capital base of the World Bank and the resources of the International Monetary Fund (IMF) and the International Development Association (IDA) should be increased.

The external debt of the developing countries stood at $1.3 trillion by the end of 1989. The heavy debt repayment and servicing has drained the much-needed resources of the developing countries, leading to severe adverse repercussions on their social and economic conditions and prospects for economic growth.

The vicious cycle of indebtedness, economic stagnation and social disruption must be broken. Measures to resolve the problem must apply equally to countries that have been prudent in the management of their external debts but are now facing balance of payment difficulties. A forthright commitment to resolve the problem of third-world indebtedness should be a major objective of this session.

International trade remains encumbered with multiple barriers erected against the exports of the developing countries. According to some estimates, in agriculture alone the Governments of the developed countries spend almost $200 billion annually on protection and substitution. That figure is two-and-a-half times the total amount of assistance extended to the developing countries. The multifibre agreement (MFA) is another glaring example of discrimination against the exports of developing countries. A World Bank study recently concluded that if all trade barriers were dismantled by the industrialized countries, the rate of growth of the developing economies would increase by more than 3 per cent. A clear expression of commitment to the principle of free trade with preferential treatment for the developing countries should, therefore, be emphasized in our declaration.

(Mr. Yaqub-Khan, Pakistan)

The 1980s witnessed a tangible slow-down in technology transfer that added yet another dimension to the low-growth syndrome of the developing countries. A forthright commitment on the question of technology transfers would therefore be a major achievement of the special session.

The past failure to take into account the environmental costs of economic growth will have to be rectified, primarily by those who contributed to the problem. Environmental degradation in the developing countries is caused and aggravated by poverty and underdevelopment. There is thus a close link between the improvement of the environment and the eradication of poverty in the third world.

Economic development is essential for the improvement of the environment. The preparatory process of the United Nations Conference on Environment and Development must establish agreed strategies for halting and reversing the degradation of the environment.

(Mr. Yaqub-Khan, Pakistan)

The population explosion is retarding development efforts in the third world. Unless this rapid growth of their population can be controlled, they cannot hope to extricate themselves from the morass of poverty and deprivation. To achieve reduced rates of population growth, major national campaigns must be launched with the assistance of the international community. This is an issue which needs to be addressed with urgency.

It is unacceptable that more than 1 billion people should live in absolute poverty. The greatest resource for development are human beings themselves. Economic growth unaccompanied by an improvement in human resources and the quality of life is of purely statistical value. The enhancement of the human potential through better education, health services, training, housing, food security and nutrition calls for urgent international attention and co-operation.

The international community stands at the threshold of a new era of opportunity - an opportunity to develop a new concord between the rich and the poor nations to promote the well-being of their peoples through mutual help and co-operation. With political will and sincerity of purpose, it is within our reach to usher in a new economic order based on justice and equity, an order which promotes the welfare and economic progress of all.

Mr. JACKSON (Guyana): It is fortunate that we are meeting under the guidance of Mr. Garba, whose maturity, skill and wisdom have already been proven. This is most propitious, since this special session is taking place at a time of dramatic changes, sometimes swift and unexpected. Nothing better symbolizes this happy conjuncture than the fact that, at the beginning of our session, we welcomed into our midst the newest Member, the Republic of Namibia. Guyana salutes the valiant people of Namibia who, after a long and arduous struggle and with the full support of this Organization, have at last recovered their freedom and regained their independence.

(Mr. Jackson, Guyana)

The changes of which I speak have occurred and are occurring in the political, economic and technological fields. Nation States are undertaking political and economic reconstruction. In the relations between States, the reduction of tension and the adoption of new methods for the resolution of conflicts are witnessed. Regional co-operation has become a global process; large and powerful economic groupings are emerging. Paralleling these developments is a clearer perception of the interrelationship and linkage of national activities and the consequent need for international co-operation to cope effectively with attendant problems. While national activities are necessary, it is increasingly recognized that they are no longer sufficient to provide adequate solutions to all the problems they address. In short, they must be complemented by international action premised on acknowledged interdependence.

Unhappily, though there have been changes in international economic relations, these have not been pervasively beneficial. In some cases they have been neither consonant with those taking place in the political arena nor in keeping with the requirements of the situation and the condition of so many national actors. This special session, which is devoted to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries, therefore provides a fitting opportunity to redress the balance. Let us, however, be clear. As was recognized by the decision to convene this eighteenth special session, there must be a common understanding of appropriate policies. For this to eventuate, constructive dialogue which embodies new approaches and reflects a new spirit in international co-operation is a sine qua non.

In order to build a platform for success in our consultations, it would be helpful, I suggest, to examine our recent experience. In this regard, it is good

(Mr. Jackson, Guyana)

to note that the decade of the 1980s was one in which the developed market economies experienced the longest uninterrupted period of economic expansion and that, during it, a number of developing countries achieved quite substantial economic success. However, it was also a decade in which several parts of the developing world, in particular that of Latin America and the Caribbean as a region, suffered economic decline and an overall increase in critical poverty. The seriously affected States have nevertheless not stood idly by. They, and others, have engaged in a process of structural adjustment. The widespread nature of this process is aptly illustrated in the 1989 annual report of the International Monetary Fund. By way of comparison, it is recorded that in 1980, 29 arrangements aimed at structural adjustment were concluded, whereas it was recently shown that more than 70 developing countries are undertaking, in one way or another, the task of adjusting their economies. Let me add that this changed situation also reflects the amelioration in some conditionalities, and generally a more enlightened approach by multilateral financial institutions.

Success is in no way guaranteed. Structural adjustment is not easily come by. It is a painful and complex process. The challenge does not arise only from the need to ensure that internal reform mechanisms are adequate and skilfully applied. This is so because our national economies are interlinked through trade, money, finance and technology and, as is known, transactions in these interrelated areas can generate impulses which impact positively and negatively on developmental efforts. While the task of adjustment is primarily the responsibility of the State undertaking it, the desired results will require even further accommodation on the part of the multilateral financial institutions and, importantly, attitudinal and other changes in the national policies of some developed countries. The purpose of these combined efforts should be the creation of a suitable environment which can

(Mr. Jackson, Guyana)

better facilitate the process of national structural adjustment. All States must therefore be committed and be willing to contribute effectively to the adjustment process. What is required above all is cohesive global structural adjustment, including a positive alteration in the relations between the developed and developing countries.

Beyond those general considerations, there are certain specific issues to which I wish to refer. Consideration of them will help to highlight the need for clear policy guidance and action. The first is the debt problem. The experience of the last decade has shown that by itself the debt burden can cause structural adjustment to falter and to be damaging in its social consequences. By way of illustration, I point to the fact that too many developing countries are called upon to allocate large proportions of their export earnings to service debt, leading, unfortunately in many cases, to the reverse transfer of resources.

(Mr. Jackson, Guyana)

The second illustration is gleaned from the 1990 UNICEF report on the state of the world's children. That report observes that it is the poorest and vulnerable children who are paying

"the third world's debt with the sacrifice of their normal growth, with their health and with the loss of their opportunity to be educated".

Fortunately, some progress is being made and some steps have been taken to alleviate the debt burden of seriously affected countries. These include initiatives for debt reduction and the cancellation of official debt by some donor countries, as Canada has recently done for Commonwealth Caribbean countries. It would be helpful if such action became more widespread, but more needs to be done.

The second area relates to human resources. A programme of economic transformation will not succeed without a population that is healthy, educated and skilled. In the final analysis, people are both the agents and beneficiaries of development. They need to live in dignity, free from hunger, disease and want. In this respect it is of extraordinary importance that the process of integration of women in development should be consolidated and expanded.

There is no country that does not recognize the need for human resource development. Some, however, are ill-equipped to satisfy that need on their own. This is therefore a fertile field for international co-operation.

The third area is that of foreign investment. Such investment can assist in transforming production structures by providing capital, introducing technical and technological change, contributing to human resource development, supplying managerial know-how and creating employment through the utilization of labour resources available within the host country.

In the fourth area, that of trade, there is a greater willingness to proceed with trade liberalization in the multilateral framework, as evidenced by the Uruguay Round. The agreements adopted in April last year, for example, encouraged

(Mr. Jackson, Guyana)

many countries to introduce more open policies towards tropical products, and certain prohibitive aspects of agricultural policy have been removed. Yet, protectionist pressures have remained strong, new trade restrictive measures have been introduced and in some cases the multilateral mechanism has been bypassed and unilateral action taken. These contradictions need to be resolved urgently.

The fifth area, that of the environment, now actively commands international attention. Preparations have already begun for the World Conference on Environment and Development to be held in Brazil in 1992. I venture to suggest that the way we respond to the challenges to international co-operation that these linked issues pose will be a measure of our capacity, and indeed of our intention, to tackle the wider consequences of interdependence successfully.

The subject of the protection of the environment - as indeed that of drug abuse - is of a transnational character and affects us all. As is so succinctly observed in the summary of the Secretary-General's excellent report to this session,

"Most of the damage to the global environment is the result of past and present patterns of production and consumption in the developed countries, but poverty in the developing countries is another cause". (A/AC.233/5, p. 2)

Success will attend our efforts only if habits of thought and practice derived from asymmetrical international relations are eschewed and replaced by a new and all-embracing co-operative ethic. There must therefore be evident now a disposition to accelerate the development of the developing countries, even as we work collectively to agree on measures to protect the environment and to revisit the rules regarding intellectual property to ensure, for example, that those who own the bio-diversity residing in the tropical rain forest become beneficiaries of its exploration and exploitation. More generally, an unfair burden should not be placed on developing countries in pursuit of the protection of the environment.

(Mr. Jackson, Guyana)

In all the areas I have mentioned, and in others, Guyana has sought to be active and co-operative. We have embarked with courage and resolution on an economic recovery programme requiring structural adjustment, and we are committed to remain on that path. We are pursuing in the relevant forums with like-minded States an effort for the further attenuation of those policies of multilateral financial institutions which we believe should be changed in the light of new realities and, one hopes, a shared appreciation of them. We have adumbrated and are pursuing vigorously a policy of attracting foreign investment. We are at this moment, in co-operation with the Commonwealth, seeking to build a model utilizing an area of Guyana's forests which, we are confident, will establish the feasibility of sustainable development and the protection of the environment. Finally, we are fully committed to multilateralism and are in favour of invigorating international economic co-operation.

The lowering of international political tension substantially engendered by disarmament measures already undertaken, coupled with other political changes in Europe, has not unnaturally led to the emergence of a new constituency within the societies of those who are the principal possessors of weapons of mass destruction. I refer to the currency of the concept of the "peace dividend". In reality, this concept is no different from what we in the Non-Aligned Movement have long urged - that is, that there is a link between disarmament and development. International economic co-operation will be immeasurably advanced if those within our societies who articulate that link seek common cause with the advocates of the "peace dividend".

The pace and direction of change present us with enormous challenges, but the changes also create opportunities. New and imaginative approaches must be employed if we are to confront those challenges and ensure that the new opportunities are not squandered. In so many areas of international action, the sectoral approach

(Mr. Jackson, Guyana)

has traditionally been deemed to be sufficient. But can we rely solely on such an approach if we are to achieve, through genuine international economic co-operation, mutually beneficial results and equitable development in an economy that is being increasingly globalized? A global approach is clearly desirable. All of us should embrace it. The rich should not fear that by calling for their full and humane co-operation the poor are advocating their impoverishment. This is far from the truth. In essence, what is being advanced is democracy in international relations. Is it not true that democracy is a sure basis for national development? Likewise I believe that international co-operation based on democratic relations between States can be an important catalyst for equitable global economic development yielding benefits for all. In such an equation of global relations the whole will inevitably be shown to be greater than the sum of its parts. If we proceed at this session with such an appreciation and with commitment, we can take confidence in the fact that there is now much to show that this Organization can play a useful and effective role. In an era of critical change it has demonstrated its ability to be an effective manager in that process.

Admittedly this special session was not intended to be a negotiating forum, None the less it can reach, through an enlightened exchange of ideas, a clearer understanding of what can and must be done to infuse new life into the world economy, itself undergoing a process of rapid transformation. This meeting should therefore forge a broad commitment by all States - of the North and of the South - to co-operate for the common weal. Good results here can later serve as a basis for formulating specific guidelines to any negotiations required. At this critical stage we can do no less. To refuse to act and to insist on the status quo would be self-defeating and disadvantageous to us all.

(Mr. Jackson, Guyana)

In conclusion, let me say that the second millennium will begin as we choose: either treading accustomed, albeit deficient, paths; or, as Guyana would much prefer, taking those collective steps which would set us firmly and irrevocably on the road to strengthened international co-operation for the benefit of all humankind.

Mr. MAECHA (Comoros) (interpretion from French): I should like begin by conveying to Mr. Garba on behalf of my delegation brotherly congratulations on his unanimous election to the presidency of this special session of the General Assembly devoted to international economic co-operation for development.

I wish to take this opportunity to congratulate our Secretary-General, Mr. Perez de Cuellar, on the outstanding organization of this session, the holding of which is evidence of the United Nations determination to elaborate a global strategy for international economic co-operation and the revitalization of economic growth and development.

On behalf of President Saïd Mohamed Djohar and the Government and people of the Comoros I wish to offer heartfelt congratulations to independent Namibia on its admission to the United Nations. My best wishes for prosperity and progress go to the fraternal people of Namibia.

In this connection I take great pleasure in paying well deserved tribute to our Secretary-General for his personal efforts to bring about Namibia's independence.

We welcome the convening of this session at this historic time, when the peoples of Eastern Europe, Africa, Latin America and Asia are fighting for freedom, democracy and social justice.

We earnestly hope that at this session we shall adopt concrete measures that will provide a coherent framework for co-operation in the 1990s.

The economic and social progress of the developing countries is the principal challenge of the closing years of this century. The fact is that, notwithstanding the emergence of new centres of economic power, notwithstanding the integration strategies applied in many parts of the world, and notwithstanding the interdependence of nations in international economic relations, the disparities

(Mr. Maecha, Comoros)

between developed and developing countries are becoming more pronounced every day. The economic difficulties of the developing countries in the 1980s have affected all countries so diversely that it is impossible to attribute recession to poor political conditions or unforeseeable setbacks in certain cases. Recession in the developing countries is in our view indisputably linked to an unfavourable international economic environment.

The situation varies from one category of country to another. For the least developed countries, the 1980s may be regarded as a lost decade for development. Most of them had to cut their imports, abandon national development programmes and engage in adjustment forced upon them by austerity. The resultant drop in investments and the deterioration of production capacity and infrastructure hindered our countries' chance to return to the road of growth and development, which is the way to meet the basic requirements of our peoples.

Since my country, the Islamic Federal Republic of the Comoros, belongs to the category of least developed countries, it will readily be understood why my remarks will focus on the problems of the 42 countries in that group. The economic and social deterioration of that category of countries, and the major structural handicaps they have had to face, have considerably reduced their ability to overcome the negative effects of external factors. For example, the reduction in our export earnings can be explained, on the one hand, by the disastrous fall in commodity prices and, on the other, by the accumulation of external debt servicing obligations and a drop in official development assistance flows.

We must note with deep regret that the substantial new programme of action for the 1980s for the least developed countries, unanimously adopted by the United Nations Conference on the Least Developed Countries in Paris in 1981, and the commitments entered into for official development assistance in this connection, have not been carried out.

(Mr. Maecha, Comoros)

As the Assembly is aware, the least developed countries are characterized by low levels of economic, institutional and human resources and various obstacles, particularly natural disasters.

The Comoros is a typical least developed country for the following reasons: first, the inadequacy of domestic savings due in particular to the very low levels of gross domestic product per capita and the poor state of the financial network; the lack of qualified personnel and the underdevelopment of the national private sector; the inadequacy of the physical institutional infrastructure; the scant levels of productivity, particular in agriculture; the limited domestic markets in terms of purchasing power; the lack of links between the external sector and the rest of the national economy; and remoteness from the major trading centres of the world.

For least developed countries such as mine, judicious national strategies and policies leading to growth and autonomous development continue to be absolutely essential. Those strategies and policies will, however, not bear fruit without a favourable and predictable international economic environment and adequate financial assistance from the world community. Aid on favourable terms is of vital importance in this connection.

We are aware that the development of our countries requires assiduous efforts by our own Governments and peoples, but we continue to believe that without the support of the international community as a whole the legitimate aspirations of our countries will be hard to realize.

The development programmes and polices we implement must be based on continuity and coherence, with optimal distribution of resources to priority sectors such as training and agriculture.

(Mr. Maecha, Comoros)

It is our belief that development aimed at securing well-being for men and women cannot take place without rational management of the ecological environment. Deforestation, pollution and destruction of the atmosphere are a threat to species and endanger the development of the poor countries.

(Mr. Maecha, Comoros)

We are witnessing the emergence of a new international system that we must render more just and more humane. It is in that light that our Organization and the agencies that came into being after the war must be transformed and adapted to the formidable democratic movement that is doing away with the balance of forces inherited from ideologies.

The United Nations, which, since its establishment, has performed noble work for peace, security and development, must be equipped with true political decision-making power. We must define new democratic ways of enabling its agencies to fight more effectively against hunger, poverty and suffering.

The Islamic Federal Republic of the Comoros believes that the external debt of the developing countries is the major obstacle to the economic and social development for the countries of the South. That is why it is desirable that each developing country, particularly the least developed countries, must be offered a set of relief measures adapted to their specific needs. The Comoros sees a particular need for the full implementation of resolution 165 of the Trade and Development Board, which would make it possible to cancel debt.

The International Monetary Fund should consider the possibility of helping the least developed countries to finance part of their arrears by drawing on the Fund's resources in order to enable those countries to have access to new loans and to secure the rescheduling of their debt on favourable terms. The future of international economic co-operation, and the revitalization of growth and development are linked to debt and to the problem of adjustment, both of which call for reasonable guarantees.

Mr. SALAH (Jordan) (interpretation from Arabic): On behalf of my country's delegation, I should like at the outset to express our great pleasure at seeing Mr. Garba presiding over the eighteenth special session of the General Assembly devoted to international economic co-operation, in particular the

(Mr. Salah, Jordan)

revitalization of economic growth and development of the developing countries. We are confident that his able stewardship, which marked the conduct of the work of the forty-fourth session and the seventeenth special session, will guide this special session to fruitful results.

I should also like to thank the Secretary-General, Mr. Javier Perez de Cuellar, for his efforts towards the preparation of this session and for his invaluable report contained in document A/AC.233/5.

I take this opportunity to express my warm congratulations to the delegation of the Republic of Namibia on the occasion of its admission to the Organization. The resolution adopted by the General Assembly to admit Namibia as a new Member of the United Nations is testimony of the recognition and admiration of the valiant people of Namibia, which has undergone untold sufferings in its long struggle for freedom. We are delighted to see our colleagues, the members of the Namibian delegation, taking their rightful place among us. We pledge to continue our support and co-operation for the cause of Namibia.

This special session is convened in a climate of international relaxation that has a highly favourable impact on the political aspects of international relations. This encourages us to make serious efforts to promote similar change in world economic conditions, not only because those conditions are unacceptable in themselves, but because that kind of adjustment would be beneficial to all countries of the world.

In that context, the international community should, we believe, make economic development the focus of international co-operation, not only within the framework of relations among industrialized countries, but between North and South at the broadest level and in all possible spheres. The co-operation and the co-ordination of economic policies currently pursued by the industrialized countries do not take duly into account the pressing problems of the third world.

(Mr. Salah, Jordan)

Macro-economic policies, which maintain stability in the industrialized nations, may have profoundly adverse effects on stability and growth in the developing world. We also believe that the current international economic situation, characterized by a high rate of growth in the economies of the industrialized nations in parallel with economic stagnation and decline in the per capita income of many developing nations, is an unstable one. No regional group, including the industrialized nations, will be immune from the severe changes affecting all the other countries throughout the world.

That inconsistency does not help to establish stability in the world economy. We in Jordan therefore believe that, in order to ensure development within the framework of international economic co-operation, a new mechanism should be set up. Periodic rounds of consultations among the leaders of the industrialized countries and those of the developing nations, preferably on a periodic basis and under the auspices of the United Nations if possible, could provide a suitable mechanism in that regard. Such an arrangement would ensure constant examination, in co-ordination with the industrialized countries, of the concerns and interests of the majority of mankind. It is to be hoped that it will lead to a form of international co-operation that focusses on growth and development for the South as well as for the North.

With regard to the debt crisis facing the developing countries and threatening the economic and social structure of those nations, we believe that the international community must as soon as possible adopt action-oriented policies to address that crisis. Initiatives and procedures proposed or taken by some industrialized countries to reduce the debt volume and write off the overhang of the poorest nations should be encouraged. We must begin the 1990s with a clear vision and a determination on the part of both the creditor and debtor nations to resolve the crisis.

(Mr. Salah, Jordan)

Our experience with regard to the external debt problem in Jordan clearly illustrates that its root causes are not exclusively domestic. In our case, our obligations towards the fraternal people of Palestine in the occupied Palestinian territories, the substantial defence outlays arising from the conflict in the Middle East, as well as the non-fulfilment of external-assistance commitments towards our country have prompted us to take decisive steps to correct the imbalance.

Like Jordan many other countries have suffered from the demographic and economic consequences of regional conflicts. These factors should be taken fully into consideration by such multilateral economic institutions as the International Monetary Fund (IMF) and the World Bank when they come to evaluate their assistance to adjustment programmes in the countries affected by regional conflicts.

The current severe crisis in development financing calls for the international community to provide more generous financial assistance, on an urgent basis, to the developing nations. It is our hope that the industrialized countries will pledge themselves to reaching the development-assistance target set out in the two previous Development Decades.

We also feel that concessional assistance should be provided to all developing countries on terms commensurate with their level of development. In addition, the arbitrarily set level of per capita income at which concessional assistance is cut off should be replaced by another, flexible system that will allow for the provision of such aid, access to which would gradually be reduced at a certain point.

We believe that the present state of détente reflects positively on the relaxation of international and regional tensions. It will be instrumental in the conclusion of disarmament agreements, which will create a favourable and practical environment for tackling economic issues. It is also our view in the Middle East

(Mr. Salah, Jordan)

that the full, comprehensive and co-ordinated elimination of all types of weapons of mass destruction from the region, be they nuclear, chemical or biological, will release the vast financial resources now being spent on the purchase or production of such destructive means towards meeting the economic and social requirements of development in the countries of the region. Those countries will then be able to shift their priorities and devote their efforts to addressing their own pressing problems.

While the development of the third world requires investments in different sectors according to the conditions peculiar to each country, we are convinced that the agricultural sector should be given special attention within the framework of future international economic co-operation. That sector accounts for up to 60 per cent of employment in the developing countries. It represents a significant part of export earnings. The danger of food shortage or famine should prompt all interested parties to work for the reactivation of agricultural development as a cornerstone for the development of third-world economies in the decades ahead. A comprehensive effort towards that end requires a strategy for the provision of assistance, commercial arrangements, reforms in macro-economic policies and an integrated rural development which, combined, will contribute to the revitalization of that vital sector and improve living conditions of the millions of people working in it.

We are witnessing a growing awareness of the benefits of regional co-operation, and the increase in the number of regional organizations is proof of that positive phenomenon. In that connection, Jordan has endorsed the concept of regional and interregional economic co-operation with a view to bolstering political stability and strengthening the movement towards social development and economic welfare for the peoples of the Arab world.

(Mr. Salah, Jordan)

The three co-operation councils that have been established in the region are pillars upon which wider co-operation can be based. Those councils are the Gulf Co-operation Council, the Union of the Arab Maghreb States and the Arab Co-operation Council, which is made up of Iraq, Egypt, Yemen and Jordan. The latter supplements the two other groups and serves as a link between them, since the Arab Mashreq, where Jordan is located, is the essential link between the Arab Maghreb and the Arabian peninsula. The Arab Co-operation Council was based on the practical concept of utilizing available resources and the existing projects within its member States to build upon them.

The United Nations is capable of promoting regional and interregional co-operation to achieve coherence, define common interests and share experiences and expertise, all of which elements should be used to create a new international climate conducive to comprehensive global co-operation.

The human factor was and continues to be the focus of our development efforts, since human resources are the most vital asset at our disposal. From our experience in that sector we believe that there is a need to adopt a new comprehensive approach that can promote social development to supplement economic growth, and that makes improvement of the living conditions of the human being a major factor in drawing up national policy.

The development of human resources should be the major goal we set ourselves. We in Jordan have dealt with this issue in the area of education reform. His Highness Prince Hassan, Crown Prince of Jordan, has for the past three years personally supervised and participated in the educational reform programme, which broadly aims at enabling future generations to cope with the challenges and requirements of the modern age. The programme also seeks to promote a more intimate understanding of general knowledge and technical skills for those who will

(Mr. Salah, Jordan)

enter the labour market in Jordan and abroad, and to increase their technical capabilities and productivity.

Because many countries devote vast resources to the development of their human resources, which serve to benefit labour-importing countries, equitable conditions must be laid down for the exchange of those resources. We believe that labour-exporting countries should be fairly compensated for the great investment they make in the development of their human resources.

A comprehensive approach to development invariably takes on an environmental dimension. It is a source of satisfaction to us that throughout the world there is increasing interest in the environment, and that new bodies are emerging with the aim of promoting its preservation. There is a growing awareness of our collective responsibility to ensure that future generations on this planet will not inherit an environment that has been abused.

(Mr. Salah, Jordan)

It is a coincidence that a few days ago we celebrated Earth Day. Needless to say, we are all required, in particular those countries whose activities have the most adverse impact on the environment, to make serious and constant efforts to safeguard the environment on our planet and in outer space. We must warn that our development endeavours should not have adverse repercussions on the environment or lead to its destruction: that could make our planet uninhabitable and, thus, mean the annihilation of mankind.

Finally, this special session provides an excellent opportunity for the world community to renew its commitment to the achievement of the goal of stable economic development, while duly taking into account the two dimensions of the environment and social development. Any comprehensive and integrated approach - conceptual or technical - taken at this special session can contribute significantly to the promotion of international economic co-operation in tune with the improvement of the international political climate.

Mr. CELAC (Romania): May I first of all extend my heartfelt congratulations to the representatives of the one hundred and sixtieth Member State of the United Nations, the Republic of Namibia. As someone who attended the Namibian independence celebrations in Windhoek, I am especially happy to be here at a time when the proud Namibian nation has joined the world Organization.

This special session of the General Assembly may well give a sign of renewed political will by all States, be they small or large, advanced or less developed, to rechannel their thinking and efforts towards more practical and realistic ways to respond creatively and in a sustainable manner to the increasing challenges affecting us all.

It is the strong belief of the Romanian Government that the relaxation of international tensions, the progress of freedom and democracy in large areas of the

(Mr. Celac, Romania)

world and the resulting profound changes in economic policies are likely to make it possible to tackle global problems from new, and hopefully more productive, angles.

There was a revolution in Romania. In December last year, four months and two days ago, the revolution did not merely overthrow a dictatorship and reform a government: it changed an entire social and political system. The essence of that dramatic and complete break with the past is the firm, irreversible commitment of the Romanian people to honour and guarantee: inalienable individual human rights, including the right to free and verifiably fair elections and uncoerced freedom of choice as fundamental expressions of such rights; a democratic, pluralistic, multi-party system based on the rule of law and relying on a strong civil society; a market-oriented economy with an emphasis on private initiative, tempered by social solidarity. Those options were sanctioned by the Romanian revolution and have been confirmed by subsequent developments. They are definite and irreversible. To that end, my Government has carried out a comprehensive set of legislative and other measures aimed at dismantling the old totalitarian system and making the new democratic system work. We are confident that it will.

Romania now approaches world economic issues, including those placed on the agenda of this special session, in the light of the deep changes and challenges facing our own economy.

While each nation is responsible for its own economic policies, the success of such policies depends to a great extent on the existence of a supportive international environment. The achievement of such an environment is the joint responsibility of all Member States. We deeply appreciate the work done by the Preparatory Committee of this special session, as well as the documents it has produced.*

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* Mr. Al-Anbari (Iraq), Vice-President, took the Chair.

(Mr. Celac, Romania)

As a European country, Romania attaches great importance to its relations with the other countries of the old continent. Building a new Europe should not, however, become an exclusive enterprise. It is both realistic and reasonable to assume that the great potential of Europe, East and West, may soon become a major driving force for the world economy as a whole.

As a developing country, Romania shares the fundamental concern of the third-world countries over the solution of the serious problems they have to deal with: continued underdevelopment, the inequities prevailing in world economic relations and the finanicial system, the ominous burden of foreign debt. We are determined, therefore, to co-operate closely with the other developing countries within the Group of 77, at the United Nations and in other international forums. In so doing, Romania will encourage a meaningful international dialogue, with due respect for the positions and legitimate interests of all nations, since we are deeply convinced that this is the only way leading to mutually acceptable solutions.

In recent years Romania has been both a donor and a recipient of aid. In both cases our experiences have been less than rewarding. The system failed us in either case. From our own experiences we have learned that realism, flexibility, mutual understanding and due consideration for the problems facing each of us, especially the developing countries, ought to become parts of our common endeavours when dealing with world economic problems. Increasing interdependence and integration among nations accelerate the conveyance of both positive growth impulses and negative vibrations.

The current special session of the General Assembly may offer a propitious opportunity to build a new international consensus on the global economic challenges facing the world community in the years to come and to formulate broad guidelines for shared responsibilities in meeting those challenges. Here are some of them:

(Mr. Celac, Romania)

First, an upswing in multilateral economic co-operation will increasingly depend upon sound strategies and policies on a national level and a genuine partnership of developed and developing countries on an international level.

Secondly, underdevelopment will continue to be a major threat to the stability of the world economy as long as it is approached from a position and in terms of polarization and confrontation.

Thirdly, non-discrimination, transparency and predictability must become pillars of international trade. More specifically, the industrialized countries have a responsibility to reduce tariff and non-tariff barriers to trade, and particularly to ensure market access to products from developing countries. A further endeavour to improve the generalized system of preferences on a non-reciprocal and non-discriminatory basis would eventually serve their own self-interest and that of the system as a whole.

(Mr. Celac, Romania)

Fourthly, adequate concerted steps will have to be taken to increase the availability of financial resources for development purposes. Romania has no foreign debt now. But our experience is there to prove that an all-out effort to ensure at all costs and alone, without any external help, the resources needed for timely debt payments is bound to cause unnecessary suffering, serious economic distortions and severe social setbacks. A realistic and equitable solution of the foreign-debt problem designed to encourage sincere development efforts is, indeed, a pre-condition for revived growth in a large part of the world.

Fifthly, modern science and technology have emerged as indispensable instruments for economic growth and social progress. It has become a priority to strengthen co-operation in that field, including expanded access to new technologies.

Sixthly, environmentally sound development is now a must for all countries, for their Governments, business community and individual citizens, if we want to meet the needs of the present without endangering the future of the human species. Developed countries must assume a special responsibility in this field, simply because pollution knows no frontiers. Developing countries need additional resources and access to newly emerging clean and no-waste technology to enable them better to address their own ecological problems.

Lastly, our increasing awareness of the need for a more humane orientation in the development process must be translated into tangible action in the 1990s, with a special emphasis on education and training, health and nutrition, and adequate housing.

In this respect, the United Nations and the specialized agencies have an important part to play. We are all here to renew our commitment to, and our confidence in, the world Organization.

(Mr. Celac, Romania)

The international community finds itself at a turning point. We have to make a vital choice: either we give in to the temptation of selfish economic interests or we choose the road towards greater international co-operation, genuine partnership and human solidarity.

The outcome of this special session will largely depend on it.

Mr. BERNARDO FLOREZ (Colombia) (interpretation from Spanish): I should like first of all, on behalf of the Government of President Barco and on behalf of the people of the Republic of Colombia, to offer my cordial congratulations to the young Republic of Namibia on its admission to our international community and to pay tribute to its valiant struggle over so many years in its quest for independence.

Ten wasted years in the development of a large number of third-world countries, as well as an uncertain future, are more than enough reason to convene this special session of the United Nations General Assembly, the purpose of which is to examine how to return to a world where the economic progress and social development of our countries are not only on the agendas for discussion but become a reality in this last decade of the twentieth century.

We come here today with mixed feelings of frustration and hope. Never before, as in the last few years, have so many goals been stated, has so much been written and have so many declarations been made about the urgent need to achieve progress in the underdeveloped world, not only for reasons of social justice, but also for reasons of economic convenience for global development.

Within this Organization, in the periodic assemblies of international financial institutions and in the regular summits of developed countries, we have always heard declarations of support and co-operation, and diverse strategies to foster growth in our countries have been proposed. Nevertheless, a most curious

(Mr. Bernardo Florez, Colombia)

dialectic, which it would be fascinating to study in depth if the fate and survival of millions and millions of human beings of this and coming generations were not at stake, has imposed its own very unsatisfactory results. So many words and so few deeds.

Even so, we are still hopeful. We trust that what we have learned in this wasted decade has taught both industrialized and developing countries that there is no time to be lost and has convinced us that translating words into real political will and proposals into action can no longer be deferred.

We also have a reason for special satisfaction. The spirit which inspired the holding of this session has been enhanced by the changes in Eastern Europe, which signal the return of an important group of countries to pluralistic political institutions and market economics. Events in Eastern Europe have surpassed what even a short while ago we would have thought possible and force us to imagine a different world, with unknown challenges and promising opportunities.

No longer can we evade the responsibility of offering and putting into practice bold and effective responses. Those of us assembled here must commit ourselves, with all the resources at our command, to bring developing and developed countries together, on the basis of specific goals and actions, with criteria of justice and mutual respect, under which multilateral co-operation cannot be replaced by bilateral pacts or unilateral acts. Sailing with the winds of change, we must make the most of the relaxation of East-West tension to promote a dialogue with the third world, where so many unfortunate symptoms of this conflict have appeared.

The need to reach and maintain economic growth rates which will allow us to eliminate the most tragic manifestations of poverty, such as hunger and malnutrition, early death, illiteracy, the lack of education and the lack of basic

(Mr. Bernardo Florez, Colombia)

public services, is stressed by the political processes which are blossoming in our countries and which must be consolidated by defeating persistent and apparently unsolvable economic difficulties.

(Mr. Bernardo Florez, Colombia)

Even though the different reasons that economic growth was so unsatisfactory for so many developing countries in the last decade were studied during the preparatory meetings for this session, it is appropriate to restate some of them in order to determine what is the scope for individual responsibility and when it must be complemented by action in solidarity by the rich countries.

In particular, it has become evident that the immediate cause of the crisis of the 1980s in the developing countries was a combination of two factors. First, after rising for almost 20 years, commodity prices collapsed, seriously affecting income, employment, production and even confidence in the future. The external-debt problem might have been different had this phenomenon not occurred.

Secondly, in a process not wholly unrelated, the flow of funds towards the developing countries was abruptly interrupted. The combined effect was devastating, and 10 years later it is still not possible to say that the lost ground has been recovered, and even less possible to say that the future is clear.

Several factors worked together to complicate the already very delicate situation. At the same time as the access of the developing countries to external financing was being cut off, international interest rates doubled as a result of the battle against inflation in the industrialized countries and of the pressure on world savings exerted by the fiscal policies of some of those countries.

The effect of all these adverse factors was in some cases intensified by the existence of serious economic imbalances in some underdeveloped countries. This is why, in the last 10 years, so many countries have had to adopt adjustment policies, whether in order to eliminate external distortions or to reduce public expenditure in accordance with the new financing capacities.

(Mr. Bernardo Florez, Colombia)

The inhabitants of those countries, and in particular the most underprivileged and vulnerable, have had to bear the full impact of the economic crisis. The social consequences of austerity will be felt for many years and constitute an evident source of political agitation and instability.

Nevertheless, internal adjustment processes do not guarantee growth in our countries unless they are accompanied by general measures that act upon the international factors of the economic crisis.

In the first place, a greater sensitivity is needed to the effects of the economic policies of advanced nations on the economies of other countries. Some industrialized countries still pursue economic policies which, if they had been developing nations, would not only have provoked a call to order by multilateral institutions but would also have forced them to apply severe stabilization programmes. However, because of their economic position they are able to postpone the necessary adjustments. The harmful effects upon the economies of the developing countries, which must pay higher interest rates on their foreign debt, must compete with the industrialized nations for world savings and face obstacles that limit their export efforts, are quickly felt.

We feel that it would be very useful to make an effort within the United Nations framework to promote a permanent exchange of information and the co-ordination of international macro-economic policies, guided by the principle that in a world that is becoming more integrated with every passing day the behaviour of each country affects, to a greater or lesser degree, the economies of all the rest.

In this connection, the importance of the rules of the game of international trade for developing countries must be underlined. The need to obtain through exports the hard currency they require to service their debt, finance imports and

(Mr. Bernardo Florez, Colombia)

modernize their productive apparatus to make them more competitive has led many developing countries to adopt policies which encourage their participation in world markets.

This structural change, which requires great efforts to reorient production, can be successful only to the extent that we can find open doors for our products in the markets of industrialized nations.

It is therefore essential to avoid resorting to bilateral arrangements that replace the general principles of trade with procedures designed to control and regulate access to national markets.

The endeavour of the developing countries to compete in world markets could find itself frustrated if, instead of opening their doors, the industrialized nations protected themselves behind a complex maze of restrictions, arrangements and trade agreements whose effect would be to modify, tacitly and without consensus, the rules of trade which they preach.

A greater co-ordination of macro-economic policies and access by the developing countries to the markets of the richer nations will help in relieving the debt burden and regaining the path of growth. Nevertheless, a more direct effort is needed to re-establish the flow of resources to the developing world and to stop it from transferring capital to industrialized countries.

The end purpose of structural adjustment and of the negotiations between lenders and debtors is simply to guarantee the normal operation of the international capital market. Accordingly, countries which have pursued debt policies that have enabled them to participate in the financial market in normal conditions must receive the acknowledgement and support of developed countries and multilateral agencies to allow them to reap the rewards of their prudence. Those countries have shared the costs of the debt crisis but have not received the benefits consistent with their macro-economic policies.

(Mr. Bernardo Florez, Colombia)

The result of the treatment thus far given to the debt problem has been that those countries which are current in their debt servicing and have not restructured their liabilities are placed in a disadvantageous position with respect to the initiatives now in effect. The existing alternatives do not satisfy the financing needs of those countries which do not require macro-economic adjustment. It is very important that flexible mechanisms guaranteeing adequate access to the different sources of credit should be found.

Other countries whose economic situation cuts them off from sources of credit must be helped to return to the financial market in stable and sustainable conditions.

Direct official aid from advanced countries to poorer countries plays an important role in fostering development. By acting in a targeted manner upon chosen fields of activity, it strengthens the effect of more general measures. Unfortunately the international agreed goals have not been kept, except by a small group of industrialized countries.

The easing of ideological tension between antagonistic blocs affords a very valuable opportunity to free important amounts of resources to honour this long-standing commitment. In this way, developing countries would benefit from what is being called the "peace dividend". In this context, Colombia stands resolutely behind the initiative to establish a United Nations disarmament fund for development.

(Mr. Bernardo Florez, Colombia)

Programmes to eliminate absolute poverty, which degrades both those who endure it and those who tolerate it, deserve our full attention. The objective of economic growth is to raise the living standards of the population, and of the poor in particular. Human dignity resides in the conviction that human beings are useful members of society. The transfer of modern technology and the spreading of knowledge constitute, in the last analysis, the best contribution towards the construction of a society.

An international effort must be made to support the Eastern European countries in their desire to become integrated in the world economy. Their adherence to the United Nations specialized agencies and their entry into the international economy will be a great benefit to those countries and to the world in general. The fact that the Eastern European countries possess a solid and diversified economic, social and cultural infrastructure will enable them to contribute to the development of the third world.

In all these fields the effect of market forces will not be diminished; on the contrary, it will rather be enhanced by more vigorous intervention on the part of the Governments of advanced and developing countries, in accordance with the procedures of multilateral co-operation.

Only thus will it be possible for the walls dividing the rich and the poor countries to be demolished in the 1990s, just as those which for so many years separated East and West were brought down, and only thus may we bring about the utopia of equal opportunities of progress and development for all the inhabitants of this planet.

Almost 10 years ago, during the ceremony at which he received the Nobel Prize, our novelist Gabriel Garcia Marquez asked that generations condemned to 100 years of solitude be given a second chance on Earth.

On behalf of the millions who refuse to give up hope, let me reaffirm the validity of that noble appeal.

Mr. MUJUTHABA (Maldives): I join my colleagues in warmly congratulating you, Sir, on your election to the presidency of this important session. I am sure that you wisdom will contribute immensely to the success of this historic session.

We are happy that Namibia has achieved what its people has so bravely fought for and that it is now a full Member of the United Nations.

Previous speakers have examined thoroughly and spoken eloquently on the state of the world economy in different lights. It is clear that we meet at a time difficult not only to the developed economies but also, and more so, to the developing economies. During the past decade the world economy did not grow as had been projected. Many of the poorer countries ended up have per capita incomes lower than at the beginning of the decade. The reasons included natural causes, fluctuating commodity prices, unresolved monetary issues, bad management of resources and increasing protectionism on the part of the importing countries.

In 1981 the General Assembly adopted the Substantial New Programme of Action. The targets set therein were never reached, and the hope and expectations it raised are now the memory of a noble call. Maldives wishes to put on record its disappointment with the implementation of the Substantial New Programme of Action.

Improved telecommunications and transportation have shrunk the planet we live on. Daily we hear on the radio and see on the television that the environmental degradation in one part of the Earth affects not only that part but the whole Earth. We also see human suffering from natural causes and man-made causes. And yet we have not discarded our narrow views and parochial attitudes, and we refuse to recognize mankind as one. We have entered the final decade of the century during which rapid developments have taken place, and it is time we made practical and practicable decisions. It is time to recognize that, irrespective of continental and national boundaries, events in one place affect other places in terms of economic and social life, which in some instances include health. To

(Mr. Mujuthaba, Maldives)

reduce human suffering it is essential we achieve a more uniform economic level in different parts of the world so that we do not have to divide countries according to their stages of development, consequently eliminating such terms as developed countries, developing countries and least developed countries. It is time we committed ourselves to that end politically.

Speaking about Maldives, I should like to stress the logistical problems that arise as a result of our geographical setting. A group of about 1,200 tiny low-lying islands, the highest natural point of which is less than three metres, scattered over an area of 95,000 square kilometres in the Indian Ocean, the aggregate land mass of which is less than 300 square kilomatres, has a population of 214,000 distributed on 200 of those islands. Since they are human beings, you cannot relocate them like cattle, and therefore essential services such as access to medical and schooling facilities have to be made available regardless of the size of the population.

The greater part of our economy is based on the sea and related activities such as fishing, tourism and transportation between the islands. The size and openness of the economy expose it to external shocks. However, we have been fortunate in being agile enough to adjust to such shocks. In the last decade we have maintained a good growth rate, and during the last five years we have achieved an annual average 9 per cent gross-domestic-product growth in real terms.

The success so far achieved in the economic and social development of the country is linked also to foreign aid. I should like to put on record our gratitude to our donors, who have helped us in various areas to maintain our development. While doing so I should add that future prospects would look dim without additional support and co-operation from the donors. This is probably the reality for many countries, and whatever plan of action emerges from this session should brighten up the future for the developing countries.

(Mr. Mujuthaba, Maldives)

Maldives wishes to urge the developed countries to take positive steps in making binding commitments to reach the target for official development assistance, which at the moment are kept only a handful of nations. Maldives also urges them to use more rational and humanitarian yardsticks in the selection of recipients, and it emphasizes the importance of periodic replenishments of the resources of the International Development Association.

(Mr. Mujuthaba, Maldives)

Returning to the theme, economic co-operation, and in particular revitalization of economic growth and development of the developing countries, I suggest that the developed countries and those in various stages of development must treat the problems globally rather than nationally, and should resolve to reduce the gap between the developed and the developing, and in particular the least developed countries, so that in the shortest possible time misery and backwardness are wiped off the face of the earth.

Mr. BAGBENI ADEITO NZENGEYA (Zaire) (interpretation from French): The eighteenth special session of the General Assembly devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries, opened under the banner of our Organization's universality with the admission of its 160th Member - the Republic of Namibia. Zaire welcomes this new Member and is happy that one of the last bastions of colonialism has crumbled in southern Africa, enabling the Namibian people to achieve international sovereignty and to join the ranks of independent countries which cherish peace, justice and equity.

As Chairman of the Special Committee against Apartheid, our President has played a particularly effective role in southern Africa in the struggle to eradicate apartheid, a role to which the international community gathered here today pays a well-deserved tribute.

The Republic of Namibia takes up its mandate as a full Member of the Organization at a time when the delegations of Member States are meeting under our President's enlightened guidance to consider the world economic situation to identify the major thrusts of genuine, dynamic international co-operation capable of promoting the participation of developing countries in world trade and integrating them into the trading system to generate sufficient revenues to revitalize their economies.

(Mr. Bagbeni Adeito Nzengeya, Zaire)

The current session follows the sixth special session of the General Assembly, held in 1974, devoted to raw materials, and the thirteenth special session, held in 1986, devoted to the critial economic situation in Africa. In my delegation's view this session should not be an occasion for Member States to express pious hopes and, often without effect, to adopt resolutions and programmes of action, which so far have contributed only marginally to development and the strengthening of relations of international economic co-operation between the North and the South. On the contrary, it should give Member States an opportunity to address all the matters associated with international co-operation between the North and the South on the pragmatic basis of the following three factors, which underlie economic relations between those two worlds.

The first is the productive capacity of developing countries to increase their participation in international trade and gain them export earnings to finance their development and meet their international obligations in the form of foreign debt.

The second is the establishment of a coherent policy for investment by the international community in developing countries, systematically to exploit to the maximum extent possible all their natural resources - mineral and others - with which they are well endowed, so as to provide them with basic infrastructures in roads, other forms of transport, telecommunications and other sectors whose potential is still immeasurable.

The third factor is the transfer of new technologies to the developing countries through joint venture schemes, thus introducing methods or means to manufacture and transform raw materials into finished products with the greatest value in the international market.

The importance of those three factors is largely explained by the inadequate economic policy applied by the well-off countries, as shown by their willingness to increase interest rates on loans granted to the developing countries while they

(Mr. Bagbeni Adeito Nzengeya, Zaire)

favour a constant reduction in the price of commodities produced by those countries and insist that debts be paid in accordance with the timetables laid down. That is causing a haemorrhaging of the money that developing countries need for their own economies, to such an extent that the developing world has become a provider of capital to the well-off countries; a record figure of more than $30 billion - $37 billion in 1989 - in net capital transfers is seen each year.

The developing countries find themselves in a vicious circle. They do not know how to throw off their infernal yoke and begin a true partnership based on trust and the protection of mutual interests. We must do away with this anachronism to bring about prosperity, well-being and an improvement in the quality of life for all the peoples of the world. The solidarity of all the peoples of planet Earth should overcome the selfishness of some and bring about the triumph of reason, understanding between peoples and co-operation in the full meaning of the word.

Of all the continents represented here, Africa is the one that presents a picture of a worrying economy, because its economic growth is mortgaged by the weight of its foreign debt and the clear absence of political will on the part of the well-off countries to engage in fruitful co-operation with the States of Africa.

In 1989, as in 1988, the countries of sub-Saharan Africa transferred more than $5 billion to countries outside the area - nearly 4 per cent of their gross domestic product, and in 1989 the increased international interest rates inflated interest payments to service the debts owed to commercial banks.

During the same period very few new loans were made by those banks to the African countries; in other words, there was very little transfer of capital from the well-off countries to the developing countries.

My country, Zaire, paid back $1.26 billion on its external debt during that period.

(Mr. Bagbeni Adeito Nzengeya, Zaire)

During the forty-fourth session of the Assembly my country proposed that part of the debt be rescheduled in local currency, to enable the establishment of national development funds and at the same time to ease the balance of payments problems of developing countries, while switching budgetary measures to investment needed for economic and social development.

Despite the active participation of creditor Governments in debt negotiations with the banks, within the framework of the Brady Plan, no agreement had been reached by the end of December last year.

My delegation congratulates, and expresses its gratitude to, certain Governments which have agreed to reduce the debts of some low-income countries carrying out significant programmes of economic adjustment, to reschedule some public debts contracted in the form of credits for exploitation or to cancel certain debts outright.

Compared with their record level in 1979-81, raw material prices fell by about 30 per cent in terms of the prices of manufactured products imported from the developed countries. That situation is threatening the balance of payments of the developing countries, at a time when the rich countries are reducing their investment and official development assistance - in short, their transfers of capital to the developing countries - and at a time when those countries continued their own growth in 1989, the seventh consecutive year of uninterrupted expansion.

(Mr. Bagbeni Adeito Nzengeya, Zaire)

Admittedly, the developing countries also need to mobilize their own resources by pursuing rational economic strategies and policies in order to control and curb inflationary tendencies and to attract both domestic and external investment, while seeking to improve their competitiveness on the international markets.

The objective is that we should become reliable partners with which the industrial countries would be prepared to work to mutual advantage.

Although the external debt is crippling the economies of the developing countries, jeopardizing their development and making any economic adjustments or resolve to carry out reforms in those countries difficult, I would stress that the developing countries do need support in their reforms aimed at achieving greater growth - support from the developed countries, which had throughout history been their primary trading partners.

Zaire, my country, has just turned a page in its history by entering upon a new political era with the birth of the Third Republic, involving reforms which profoundly affect all the economic and political structures of the country. It is strengthening its democratic process and wishes fully to work together with all its partners.

Hence my country will support any declaration to be adopted by this session aimed at strengthening and improving the climate of international co-operation among all countries in the world which cherish peace and justice.*

Mr. REINO (Portugal) (spoke in Portuguese; English text furnished by the delegation): First, I should like to congratulate Ambassador Garba of Nigeria on his election to his important post. His diplomatic experience and ability guarantee that our efforts will be successful.

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* Mr. Feyder (Luxembourg), Vice-President, took the Chair.

(Mr. Reino, Portugal)

It is with great satisfaction that, on behalf of the Portuguese Government and people, I hail the presence of Namibia among us, having finally occupied its rightful place as an independent, sovereign and free State.

The Minister for Foreign Affairs of Ireland, on behalf of the European Community and its member States, has already addressed the Assembly. As a member of the European Community, Portugal fully endorses what he has already said. I shall therefore refrain from repeating it, thus focusing my statement on some aspects my Government considers of particular importance.

As many speakers mentioned in their statements, the world is currently going through an historic phase, which in the political field is unanimously considered as very positive: the reduction of political tensions between the two super-Powers; the recent events in Central and Eastern Europe; the independence of Namibia; the current negotiations to solve most of the regional conflicts - all point to a progressive elimination of the sources of tension which have so greatly exercised the international community in earlier years. This situation will allow the United Nations to play a more active role in the economic field, enhancing its potential to contribute to solving the enormous problems of development.

But if in the political field we can now view the world with a good deal of hope, we must realize that much still needs to be done in the economic field, despite the long cycle of growth which industrialized countries have achieved and the high rates of growth in certain developing countries. Notwithstanding the successes achieved in the development process in some countries, the expectations and promises of the 1960s and 1970s are very far from having been fulfilled in this last decade.

In reality, we cannot ignore the fact that a very great percentage of the world's population lives in extreme poverty, in many cases below the level of

(Mr. Reino, Portugal)

subsistence or even survival, and that a large number of the least developed countries are being frustrated in their development efforts owing to the combination of chronic structural deficiencies and the burden of foreign debt, together with the general fall in commodity prices and the existence of an international environment that is not always favourable.

At the beginning of a new decade, my Government is pleased to note an increasing convergence of views on the problems affecting the world economy and a general relinquishing of ideological approaches in favour of pragmatic formulas aimed at finding practical solutions tailored to concrete problems.

Two basic principles underlie our common thinking on development: on the one hand, each State is responsible for its own development and the well-being of its citizens while, on the other hand, in an evermore interdependent world, the international community has a special responsibility to assist the developing countries in their development efforts.

But high as the amounts of international assistance may be, under no circumstances can that assistance be a substitute for the adoption of efficient and appropriate domestic policies by the recipient country.

Furthermore, it is evident that, if international assistance is to produce the desired effect and national economies are to acquire the capacity to respond to the world's increasing interdependency and to derive full advantage from its benefits, it is necessary to continue to pursue policies of rigorous economic management, to develop market mechanisms and to encourage the private sector. It is, however, also necessary to recognize that if these measures are to be effective they have to be accompanied by external assistance, and that the international community has a particular responsibility for guaranteeing, among other things, the support needed for programmes aimed at protecting the most vulnerable sectors of the population.

(Mr. Reino, Portugal)

At the beginning of a new decade, this special session gives us a unique opportunity to develop the dialogue further and for an exchange of opinion on models of development.

With some variations, the development philosophies are increasingly centred on certain key ideas: democracy and pluralism; market forces and private initiative; development of human resources; and access to science and technology.

There is, accordingly, a clear need to expand the social base of development, involving democratic and pluralistic reforms that will be translated into broader participation by all sectors of the population, improved efficiency and control, and a more transparent and rational management of the res publica. On the other hand, democracy means the establishment of legal systems that will safeguard individual rights and freedoms, which will in turn instil confidence in national and foreign economic operators.

(Mr. Reino, Portugal)

At the same time, development policies will have to reflect market mechanisms, encourage the private sector and create a climate of confidence that will mobilize domestic savings and attract foreign investment. That does not mean that the State, as a guarantor of the public interest, should not continue to play an important role in the development process, although its levels of intervention may need to be reassessed. In this long-term process, particular attention should be paid to the development and upgrading of human resources through education and training, the full utilization of national capacities and vital investment in the education of youth.

In that context, the important role of women as a factor of development should be underlined. Equally important is the challenge of science and technology, possession of which constitutes the key to long-term development. In this regard, the problem of research must necessarily rely on joint efforts at the subregional and regional levels.

As we enter a new decade, we cannot forget the question of the environment, which must be considered as a necessary component in all development policies. In the long run, there can be no development if it is not ecologically sustainable. However, I cannot help recalling that my country believes the consideration of environmental issues not as an extra conditionality, but as a need the satisfaction of which should also be translated into additional resources to be made available by the industrialized countries and in the facilitation of the transfer of necessary technologies. Because Portugal has the largest exclusive economic zone in Europe, we must pay particular attention to all issues pertaining to maritime pollution and to the exploration and exploitation of marine resources.

Underlying all those concepts is the need for continuing sustained and increased assistance - quantitative and qualitative - from the international community to developing countries, particularly to the least developed, whose

(Mr. Reino, Portugal)

structural deficiencies will, for a long time to come, continue to require high levels of official development assistance on concessional terms. In the near future, it will also be necessary to find a solution to the debt problem, so that this heavy burden will cease to affect adversely the development process of countries that, with enormous effort and sacrifice, are trying to find the right path to their economic, financial and social balance.

On the matter of debt, besides the successive restructuring arrangements that Portugal has negotiated in the framework of the Paris Club, we are pleased to have introduced some innovative solutions in particular in the case of official debt that may contribute to reducing the burden. Its limited financial resources notwithstanding, Portugal has made a great effort towards co-operation, particularly in the area of training and in the development of human resources in general. It has also contributed in the field of technical assistance and in the transfer of technology, so as to lessen the more pressing needs of the countries with which it co-operates more closely.

Finally, all this has been accomplished without reducing - and in some instances even with increasing - the financial funds that are vital to the development of developing countries. It is not surprising that, despite our links to Latin America and the concern and commitment with which we have followed the process of peace and democracy on that continent, it is essentially to Africa that we devote our utmost attention and efforts.

We all know that, beyond the aforementioned economic, political and financial constraints, war and the insecurity it causes have played a very negative role in a region of Africa to which we find ourselves linked by history and affection, southern Africa. For that reason, now that we seem to be moving towards solutions to regional conflicts, we cannot but congratulate ourselves on the current peace

(Mr. Reino, Portugal)

negotiations in Angola and Mozambique, countries to which we continue to offer all the co-operation requested of us.

We would be remiss in concluding without some reference to the current democratic changes occurring in Central and Eastern Europe and to the increased means involved in supporting those changes at the monetary, multilateral and bilateral levels. However, the solidarity due to the countries of Central and Eastern Europe, necessary to guarantee the success of their reforms, cannot be given at the expense of reducing co-operation and assistance to developing countries, particularly to the least developed ones.

Mr. VAN DUNEM (Angola) (spoke in Portuguese; English text furnished by the delegation): Before I address the eighteenth special session of the General Assembly, I should like to congratulate Mr. Garba on his election to the presidency of this important forum. I am sure that, given his high level of competence and experience, the results we all desire will be achieved.

I also take this opportunity to extend my congratulations to the Preparatory Committee, whose selfless, coherent work has undoubtedly contributed to our presence here at the special session of the General Assembly devoted to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries.

My congratulations also go to the Secretary-General, Mr. Javier Perez de Cuellar, whose important report quite clearly and concisely informs us of the grave economic situation facing mankind in general and the developing countries in particular.

I do not intend to belabour themes that have already been carefully analysed by the speakers who preceded me. However, in addressing the Assembly, I should like to deliberate on some questions that deeply concern us.

(Mr. Van Dunem, Angola)

A decade has just ended - a decade we would have wished to be full of success for the world economy and the well-being of mankind. Yet, despite the efforts made in this respect, the goodwill shown by some countries has not always been well received by others. In fact, the deteriorating economic situation affecting the international community during the 1980s critically hit the developing countries, preventing all attempts at growth and economic development from succeeding.

The unprecedented fall in commodity prices, especially petroleum prices; high interest rates; worsening terms of trade; growing protectionism; and exhorbitant external debt leading to a reversal in the flow of financial resources - all denied the developing countries any possibility of achieving the plans and programmes originally foreseen for the decade that has just ended. The relative successes achieved with the entry into force of the Common Commodity Fund, towards which the developing countries greatly contributed, have not yet reduced the problems related to trade in that type of product.

On the African continent, notwithstanding the willingness shown to apply the United Nations Programme for African Economic Recovery and Development in full and truly to implement structural adjustment programmes in some countries, the situation is worse today than it was 10 years ago. African external debt, which in 1979 was approximately $100 billion, today stands at the astronomical figure of $270 billion, threatening the very existence of some African States.

(Mr. Van Dunem, Angola)

The countries of southern Africa have made enormous efforts to consolidate their political and economic independence with the rest of the countries on the continent.

Ten years ago, when those countries signed the Lusaka Declaration as the basis for creating the Southern African Development Co-ordination Conference (SADCC), they were fully convinced that the innumerable economic problems with which they were grappling at the time would soon abate and all the main bases for their economic development be in place. However, that did not happen.

The external factors to which I have just referred were, unfortunately, compounded by drought, epidemic diseases, hunger and the damage caused the SADCC member countries by the racist South African régime. The cost has been reckoned at $10 billion and the resulting death toll at one and a half million persons.

In the case of the People's Republic of Angola the statistics reflect a frankly discouraging picture. For the Angolan people the so-called lost decade was also a decade in which the prices for petroleum, the main export, fell to their lowest level. Industrial production was greatly diminished, transport links were severely disrupted, a large number of trained personnel were obliged to leave the economic sector to meet defence imperatives, the balance of payments showed an unprecedented deficit, and external debt skyrocketed, endangering the ongoing implementation of the economic recovery programme - known by the Portuguese acronym "SEF" - that the country had undertaken a few years earlier.

Although in the 1980s events of great importance moved the international community forward in the political sphere, the same cannot be said of the world economic situation. The international community faces a great challenge in that regard. It has the responsibility of changing the economic climate over the next

(Mr. Van Dunem, Angola)

10 years, for negative trends in the world economy will persist if immediate and realistic steps reflective of a new attitude in the new era upon which we are all embarked are not taken.

The ever-growing interdependence of our economies implicitly leads to the development of international economic co-operation. We fully believe that only co-operation based on the creation of a balance between the interests of different countries can lead to an overcoming of such difficult problems as external debt, high interest rates, lower commodity-export earnings, hunger and poverty - questions which, by the way, were heavily emphasized in all the supporting documents prepared for the special session and which affect the majority of the developing countries.

As the new decade commences we should naturally reflect on how to pinpoint all the aspects that might contribute to revitalizing the world's economic development, and most especially that of the developing countries. For those countries one of the main problems that makes growth and development difficult is undoubtedly external debt, exacerbated by the high interest rates that result from the unfair monetary and financial policies adopted by the developed countries.

We believe it is necessary to adopt more effective measures and to create mechanisms that will allow this crushing burden to be reduced, since a just and definitive solution to the debt crisis would obviously benefit the economic rehabilitation and development of the developing countries. In that context we feel that concerted action in the monetary and financial fields, as well as in international trade, are urgently required.

Unfortunately, in recent years the international community has seen a shrinkage in financial resources for the economic development of developing countries. The goal of allocating of the contribution of 0.7 per cent of gross national product to official development assistance set by the United Nations for

(Mr. Van Dunem, Angola)

the past decade, is far from attainment. None the less, we hope that initiatives to galvanize the international community into assuming its responsibility will be taken within the framework of the international development strategy to be adopted in the near future.

Once again we should like to refer here to the particularly difficult situation being experienced by the African continent, where the United Nations Programme of Action for its recovery, which ends this year, has fallen far short of the aims that led to its conception. This leads us to believe that something more should be done in coming years, and we are already counting on the support of the international community in this regard.

The lessening of international tension should obviously facilitate an increase in international economic co-operation and allow us to broach some of the world problems, such as the environment, that currently cast a pall over our planet.

Environmental conservation as a factor in development must certainly be one of our concerns. We hail all those initiatives taken with a view to saving our planet, and we are pleased at the decision to convene a world conference on environment and development in 1992.

It is our conviction that the steps being taken in the field of disarmament have already made a significant contribution to enabling mankind to feel safer and freer from threats to its very existence. On the other hand, there is a consensus that once the arms race is ended a new leaf will be turned in the field of international co-operation, since considerable sums will be freed that may contribute to the economic growth and development of all countries, and especially the developing countries.

I would not like to conclude without referring to the role of the United Nations system in co-ordinating all of the efforts designed to bring about equitable economic co-operation among all the different countries of the world.

(Mr. Van Dunem, Angola)

The People's Republic of Angola hails all of the initiatives aimed at strengthening this important international Organization, which has played such a great role in the quest for solutions to our problems.

I should also like to avail myself of this opportunity to thank the United Nations for all the support that has been given the People's Republic of Angola as a result of the adoption, at the forty-fourth session of the United Nations General Assembly, of the resolution on international assistance for the economic rehabilitation of Angola (General Assembly resolution 44/168). I appeal to all countries to increase their support in that respect.

We are fully aware that the new chapter in international co-operation that is being opened today will lead to a new stage in the creation of what we all desire, namely, a new international economic order.

Once again, I should like to wish the President the greatest success in leading the deliberations of the special session.

Mr. THOAHLANE (Lesotho): It continues to be emotionally satisfying to my delegation to see Ambassador Joseph Garba directing the affairs of this special session. We have no doubt that with his proven diplomatic abilities and capabilities he will steer us on our present course to a very successful conclusion. It is not only fitting but also proper that at this historic special session he has witnessed the admission of the new Republic of Namibia. The fraternal Federal Republic of Nigeria played a very crucial and constructive role in bringing the Republic of Namibia to independence.

We welcome the Republic of Namibia with a great sense of joy and happiness that the long and arduous struggle has given birth to independent and free Namibia. We shall always remember the fallen sons and daughters of Namibia, through whose sacrifice its independence was achieved.

As we proudly admit the Republic of Namibia into the community of nations, let us continue to bear in mind that the daunting task ahead of us is that of nation-building and economic planning and development, notwithstanding the purpose of the current session on international economic co-operation - in particular, the revitalization of the economic growth and development of the developing countries. We salute all those that contributed to the realization of the new independent Republic of Namibia.

In recent years the world economy has gone through a historic structural transformation. That transformation, whose pace is quickening, has made the world more interdependent than ever before, whilst simultaneously creating uncertainty over the management of change. At the same time, the gap in economic performance between the rich and the poor countries has widened over the last decade owing to a number of deficiencies in the world economy. In this context, the adoption of General Assembly decision 43/460 was a turning point as the decision aimed at reactivating economic growth and development in developing countries.

(Mr. Thoahlane, Lesotho)

During the last decade the industrialized countries have experienced the longest uninterrupted economic expansion of the post-war period. They have strengthened their co-operative efforts and their co-ordination process. In this connection, reference is made to the United States-Canada free trade agreement, the unification of Western Europe into one unique economic super-Power by 1992, the emergence of Japan as an industrial giant and, last but not least, the revolutionary economic transformation in the centrally planned economies of the USSR, Eastern Europe and China.

On the other hand, and despite the recovery in some countries in South and East Asia, the developing countries bore the brunt of the decline in growth during the 1980s, with the result that the income gap between the developed and the developing countries has widened as never before. The process of development has entailed major setbacks for a large number of developing countries, particularly in sub-Saharan Africa. Large segments of the continent's population are worse off now than they were at the beginning of the decade.

Efforts to bring about socio-economic structural changes have been frustrated by such factors as the collapse in the prices of Africa's primary commodities, mounting external indebtedness and inadequate net flows of external resources. Adverse weather conditions resulting in severe and persistent drought and increasing desertification have compounded the difficulties. This situation is particularly disturbing in the light of long-term projections that remain pessimistic.

The external-debt problem of the developing countries cannot be overemphasized. The debt problem has emerged as a principal cause of the economic stalemate of these countries, impeding their economic growth and development. The

(Mr. Thoahlane, Lesotho)

debt crisis is rooted in long-standing structural relationships of dependency and inequality in the world economy. A drop in commodity prices generally and worsening terms of trade between the developing world and the advanced industrial countries are some of the factors which have led to the crisis.

Many developing countries, including my own, have been forced to take drastic measures to adjust their economies to the new global economic realities. This adjustment has however shown many inadequacies as it has not been growth-oriented. The structural-adjustment programme in many instances has exacerbated social inequality, often without restoring growth and development.

For Africa, the debt burden continues to mount faster than that of other regions of the world, and the region's overall ratio of debt to gross national product and exports continues to worsen. This is the case despite measures towards debt reduction agreed upon at the Toronto summit, as well as debt cancellations by some of the major donors.

Recognition of the crisis in Africa was reflected in the adoption in June 1986 of the United Nations Programme of Action for African Economic Recovery and Development. It will be recalled that the Programme embodied a commitment by the international community to support those efforts. The mid-term review of the Programme, however, reflected the fact that the Programme's implementation was being seriously handicapped by external financial constraints and that the economic stagnation and decline of many African countries was continuing.

Another major concern of the developing countries has been the change in their external financial position. In the early 1980s international bank lending ceased abruptly, so that debt payments resulted in financial transfers from the developing to the developed countries. While the official development aid and other official

(Mr. Thoahlane, Lesotho)

flows have become the only source of positive financial transfers to developing countries, the target of 0.7 per cent of the gross national product of the developed countries has not been met. Suffice it to recognize that while some countries in the developed world have long exceeded the target - and we are grateful for this - the majority of the developed countries have not met the target.

The deterioration in financial flows to developing countries has caused international trade to become these countries' most important potential source of external resources. But the terms of trade for the non-fuel primary commodities upon which many developing countries rely have fallen to record lows. Even though there has been a rapid growth of trade in South and East Asian countries, including China, trade has been less buoyant in the highly indebted countries, particularly those in sub-Saharan Africa.

Despite the overall expansion of world trade, protectionism flourished in the 1980s, especially in the developed world. It is disheartening that the growth of protection has been aimed at the most competitive exports, mostly from the developed world. In this regard, mention may be made of products such as textiles, clothing, footwear, leather goods, steel, shipbuilding and automobiles. Developing countries have therefore been penalized for their entry into manufactures, the most dynamic sector of the world economy.

The increase in protectionism has clearly led to erosion of the rules of the General Agreement on Tariffs and Trade (GATT). In this regard, the world has witnessed small groups of nations striking special deals between themselves - for instance, the 1988 United States-Canada free trade agreement and the European Economic Community's plan to integrate fully by 1992: the most prominent examples of regional blocs. Indeed, arrangements such as these might have positive

(Mr. Thoahlane, Lesotho)

elements. However, the trend towards bilateral and regional blocs is worrisome in so far as they discriminate against other trading partners and are antithetical to multilateralism.

(Mr. Thoahlane, Lesotho)

It is a well-known fact that people are both the ends and the means of development. In other words, without people there would be no development and without development there would be only destitution. Unfortunately, the economic stagnation and crisis of developing countries in the 1980s caused a significant drop in investment in human potential, which in turn further strangulated their already vulnerable economies.

In recent years, a growing body of scientific evidence of the present hazards and future risks of environmental degradation is causing increasing concern at all levels and in all countries world-wide. These threats not only cause health hazards but also can hamper economic activities. Some of these environmental threats, such as desertification and deforestation manifest themselves primarily in the developing countries. But their underlying cause is poverty rather than affluence.

Greater interdependence among nations has accelerated during the last decade. Economic problems, even at the national level, now have to be seen in a global perspective to a greater extent than before. Unfortunately, despite the closer interrelationships, the prosperity of the developed countries has not been transmitted to the majority of the developing countries. In short, there has been a stalemate in the North-South dialogue which has led to the marginalization of developing countries in the global economy.

The present special session of the General Assembly offers an exceptional opportunity for the States Members of the United Nations to initiate a much-needed revival of multilateral dialogue, as well as negotiations on the most acute international problems that have prevented the integration of the economies of the developing countries into the world economy. The many challenges that confront the

(Mr. Thoahlane, Lesotho)

1990s should be dealt with in the context of increasing interdependence and integration of the world economy, as well as collective responsibility in finding equitable and durable solutions to the problems confronting the developing countries, through the revitalization of their economic growth and development.

On the other hand, this special session provides an outstanding opportunity for the United Nations to reaffirm its role as a universal democratic forum in the examination of vital issues of international economic relations and global development.

Developing countries have a primary responsibility for the development of their own economies. However, external conditions are very much intertwined with internal ones and can affect the latter either positively or negatively. For countries to succeed it is essential that the pattern of international economic relations should be transformed into one conducive to the reactivation of economic growth and sustained development of developing countries. It is hoped that this will go a long way towards contributing to a decrease in international interest rates, the stability of financial markets, and exchange rates, which will be of central importance in supporting the developing countries.

Achieving the reactivation of the economic growth and development of developing countries will require concerted action by all countries. Special efforts are necessary to put the development objective more plainly in focus than the adjustment theme which has long overshadowed it. The developing countries should continue to work towards such goals as ensuring the active promotion of domestic savings and the strengthening, expansion and modernization of their economies and productive sectors. They should also continue to encourage both domestic and foreign investment.

(Mr. Thoahlane, Lesotho)

Concerning financial flows to the developing countries, we strongly believe that for the 1990s, the net flows of financial resources to developing countries should be substantially increased. Official development assistance should reach the recommended target of 0.7 per cent agreed upon in the 1970s. Industrial donor countries should increase their overseas development assistance to the least developed countries in compliance with the Substantial New Programme of Action for 1980s for the least developed countries. In the 1990s, the international financial institutions should be supported by the multilateral community to enable those institutions to assume a much larger role in meeting the financial-resource requirements of the developing countries at the global and regional levels.

The increasing awareness of the need for a humane orientation in the development process must be translated into global action in the 1990s. In this respect, reactivation of growth and development of developing countries will be possible only with the advancement in the quality of development, the improvement in the living standards of the people, their broad participation and better opportunities for them. Additional concessional resources should be provided to developing countries for the eradication of poverty.

For the 1990s, there is a dire need to strengthen the development of human resources of developing countries. The inextricable link between education, the acquisition of skills, technical training, and economic growth and sustained development, should be emphasized. The international community should also aim to support the human-resources development strategies in the related areas of health, nutrition and employment.

South-South co-operation has suffered as a consequence of the financial and economic structural obstacles faced by the developing countries and of the

(Mr. Thoahlane, Lesotho)

imbalances affecting international economic relations. As we enter the new era, the endeavours of the developing countries to promote and strengthen economic and technical co-operation among themselves should be effectively supported by the developed countries, as well as the international organizations.

In conclusion, we are hopeful that the deliberations of this special session will result in a common understanding which would facilitate, amongst other things, the elaboration of a new international development strategy for the Fourth United Nations Development Decade, the Second Conference on Least Development Countries, the eighth United Nations Conference on Trade and Development, the United Nations Conference on Environment and Development in 1992 and the Conference on Population in 1994.

The PRESIDENT (interpretation from French): In accordance with the decision taken by the General Assembly at its first plenary meeting, held on 23 April 1990, I now call on the Secretary of State for Foreign Trade of Switzerland.

Mr. BLANKART (Switzerland) (interpretation from French): I should like first to associate my heartfelt congratulations with all those that have been extended to Namibia on its accession to independence. During the transition period leading up to that independence, Switzerland had been closely involved with the international peace-keeping effort, an ambitious operation that was completed, thanks to the skill of the United Nations and the diplomacy of its Secretary-General. Namibia has enriched the international community with a unique political, economic and cultural contribution.

(Mr. Blankart, Switzerland)

Its accession to independence shows not only heightened confidence in the United Nations for the peaceful settlement of conflicts but also the fundamental changes that have taken place on the international political and economic chessboard. In this connection I would highlight the emergence of new East-West relations and the decline in the influence of ideologies; the changes that we are now perceiving in Central and Eastern Europe, aimed at the establishment of pluralistic political and economic structures; the implementation by a number of developing countries of profound political reforms aimed at taking account of economic realities and of the wealth of human potential; the movement towards the establishment of a single market in Europe, heightened co-operation among the countries of the North American continent and more generally the spread of regional economic co-operation throughout the world; lastly, the impact made on the human environment and the structures of production by scientific and technological progress and the information revolution.

These changes offer opportunities but also risks and challenges, and these have to be faced together. We have all acknowledged the need for economic growth which places the well-being of the individual in its social and ecological context at the centre of our concerns.

The fortunate consequences of these developments are evident: a sustainable economic growth based on individual well-being, social justice and the security of all peoples of our planet is now nearer than ever before. At the same time, the new technologies provide encouraging prospects for dealing with world-wide challenges, such as the need to combat hunger and epidemics or to preserve the environment.

What are the challenges confronting us today?

The first has to do with the process of democratization and liberalization in Central and Eastern Europe, in particular the problems of transition from a

(Mr. Blankart, Switzerland)

controlled economy to a market economy. Any failure in this delicate process would jeopardize improvement in political relations in Europe and in the world. The upheavals in Central and Eastern Europe concern all members of the international community. The industrialized countries, in particular those in Western Europe, are naturally expected to provide special support for these reforms.

This support - and here we have a second challenge of capital importance - must not be provided at the expense of the developing countries. Those countries find themselves in very unequal situations, often in a precarious state in so far as concerns their ability to deal not only with today's challenges but also tomorrow's. For too many developing countries the gap between them and the rest of the world continues to widen.

In order to avert the risk of a break in our progress - one that would be incompatible with the United Nations aim of striving towards a more just world - the pursuit of efforts started by the countries concerned is essential. The priority objective of these efforts lies in the restoration of an economic framework conducive to growth that will foster savings and investment and the return of capital which had previously fled, as well as improvement of the living conditions of the less privileged segments of the population so as to involve them in economic and social life. Solidarity within the developing countries must be accompanied by international solidarity.

The Governments of many poor countries need the international community's support all the more because the pressures they have to face derive partly from external imbalances. Those imbalances are difficult to influence and strike hard at weak and only slightly diversified economies. International economic support must, inter alia, take the following three forms: an international economic environment conducive to growth, prime responsibility for which lies with the industrialized countries; openness in international trade and investment; and a

(Mr. Blankart, Switzerland)

transfer of financial and technical resources which would make it possible to remedy temporary shortfalls and maintain priority programmes.

The economically weaker partners must not be left alone to cope with the weight of adjustment. As we all affirmed at UNCTAD VII, all countries bear a joint responsibility.

In order to enable the developing countries to return to the path of sustainable growth, we must together deal with a third challenge, which is, excessive indebtedness. This challenge places a serious mortgage on the future of the countries involved. It is now recognized that any solution to the problems of excessive indebtedness must be based primarily on the efforts of the debtor countries themselves. Experience has, however, shown that those efforts need to be complemented in many cases by additional measures. The strategies set in motion rightly aim above all at restoring the solvency of the indebted countries. They have brought appreciable results, but these have not always been sufficient. The debtor countries and private and public creditors must therefore continue their quest for solutions adapted to each situation and maintain a spirit of innovation.

The fourth challenge has to do with continued liberalization of trade. Such a liberalization is at the same time an important instrument in adjusting economies, and therefore better allocation of resources, and a guarantor against protectionist pressures.

The place occupied by developing countries in international economic relations will depend largely on their ability to use international trade as a powerful engine of growth. The potential for the expansion of trade depends on the maintenance and strengthening of an open multilateral system.

The response to this fourth challenge is now taking shape in the framework of the Uruguay Round at the General Agreement on Tariffs and Trade (GATT). These negotiations have for the first time taken up subjects other than the exchange of

(Mr. Blankart, Switzerland)

goods. They constitute a political and institutional response to the current upheavals and to new realities. Among the central themes of the negotiation, that of the full integration of the developing countries into the world economy is a growing concern to Switzerland. That integration cannot, however, take place unless the developing countries gradually assume all obligations of the system. An outcome of the Uruguay Round taking into account all interests of the parties involved, including the developing countries, would provide a formidable engine for growth in the 1990s.

(Mr. Blankart, Switzerland)

The rapidity of the macro-economic upheavals must not cause us to lose sight of a fifth challenge, the strengthening of technical assistance for development, which has had remarkable results, for example in the fields of education, training, health, food production and the preservation of land and forests.

The enhancement of this technical assistance is justified not only by the existing considerable needs but also by its contribution to the lasting success of adjustment efforts. In this context it must not be overlooked that diversification of production remains, in many countries, a long-term endeavour that will require prolonged financial and technical support.

I cannot omit from this list a sixth challenge, the need to preserve the ecological balance, and the rational utilization of natural resources. Growth is sustainable only if based on the rational utilization of existing resources. We must integrate more systematically and completely ecological costs in our economic decisions.

Switzerland notes with satisfaction the increasing awareness of the problem of environmental degradation and the initiative the Assembly has taken in this connection by making preparations for the United Nations Conference on Environment and Development to be held in 1992. This is an exceedingly complex challenge, one that affects fields as different as the impact of demographic pressure on the deterioration of the soil, the disappearance of forests and fauna, and pollution of the ozone layer. It is essential that all of us meet our responsibilities in this field. This picture of recent upheavals and the opportunities and risks that emanate from them is certainly not exhaustive, but it expresses our firm belief that all States must make new efforts and show more open-mindedness to further change. In a world in which the State is less and less able to remain aloof from external influences and the international impact of its actions, the efforts of all must be complemented by closer, more effective international co-operation.

(Mr. Blankart, Switzerland)

The history of the last few decades shows that the State must serve society and perform its role with modesty, drawing on the political, economic, social and cultural wealth of its people. The principles of universality and solidarity on which Switzerland bases its relations with the rest of the world guarantee the active participation of my country in initiatives aimed at bolstering international co-operation. Switzerland does not see interdependence as a latent threat; rather, we see it as the foundation of relations among nations. The strengthening of international co-operation must enable each country to live up to its responsibilities in the light of its capacities and means. Lastly, that co-operation must also be a fertile medium for the flowering of all human beings - to whom liberty cannot be given and from whom it cannot be taken, because, in the last analysis, the human person contains the very source of freedom.

The PRESIDENT (interpretation from French): Pursuant to the decision taken by the General Assembly at its first plenary meeting, on 23 April, I now call on the Deputy Chairman of the Observer Mission of the Republic of Korea.

Mr. YOO (Republic of Korea): On behalf of the Government of the Republic of Korea I should like to express my sincere appreciation for the decision of the General Assembly to invite my delegation to participate in the special session of the General Assembly devoted to international economic co-operation.

I am confident, Mr. President, that under your prominent leadership this session will make a significant contribution to the enhancement of international economic co-operation.

I wish also to take this opportunity to express my deep respect to Mr. Javier Perez de Cuellar, Secretary-General of the United Nations, for his incessant efforts to pursue international peace and prosperity.

(Mr. Yoo, Republic of Korea)

International relations can no longer be perceived and defined in terms of the past. The wave of political and economic reforms sweeping the Eastern European countries is indeed unprecedented in its nature and scope. At the same time, new and dynamic forces are rapidly replacing traditional economic structures.

In the midst of what may eventually prove to be profound structural changes in international relations, the special session is charged with a historic mission: to develop a new modality of co-operation for the revitalization of developing economies.

In the 1980s the world economy has continued to reveal such persistent features as debt problems, increasing protectionist trends on the part of developed countries, deteriorating terms of trade of the developing countries and erratic disturbances in international financial markets.

Despite the pressing need and the substantial adjustment efforts of the developing countries for sustained growth, the economic achievements of the developing countries in the 1980s were far behind expectations. A United Nations report shows, for example, that per capita income growth in developing countries came to a virtual standstill in the last decade at 0.1 per cent a year, a sharp decrease from 2.4 per cent in the 1970s and 3.3 per cent in the 1960s. Not surprisingly, the 1980s are referred to as a lost decade of development for many developing countries.

Under the circumstances it is all the more incumbent upon all countries to redouble their concerted efforts to help developing countries escape from the vicious circle of low economic growth and the rising levels of external debt.

The new modality of development for the 1990s should be based above all on shared responsibility in finding durable solutions to the economic problems faced by developing countries.

(Mr. Yoo, Republic of Korea)

First and foremost, developing countries must undertake a series of economic reforms to help create productive and sound economies. They must make sustained efforts to establish favourable domestic conditions for foreign investment and capital formation and must adopt measures to initiate structural adjustments that are often politically difficult.

However, experience shows that economic adjustment efforts by developing countries alone can hardly attain the expected results and that they should be complemented by support from international action and a favourable international economic environment.

(Mr. Yoo, Republic of Korea)

In this regard, the major developed countries have the principal responsibility to lead the world economy in a co-ordinated and harmonious way. Although the prevailing instability in the world economy may be attributable to many factors, the most significant cause lies in the structural imbalances among the economies of developed countries, a situation that should be remedied. The fiscal deficits of the major developed countries, for example, should be corrected in order to achieve a stable and favourable environment in the world economy. In addition, trade-surplus countries must play a more active role as import absorbers and take further measures to liberalize their trade régimes. They should also continue to recycle their surplus funds effectively to developing countries. At the same time, trade-deficit countries should endeavour to restore their industrial competitiveness and refrain from taking protectionist measures.

In a world of growing interdependence, we are once again reminded that closer macro-economic co-ordination, not only between developed countries but also between developed and developing countries, is most crucial to the harmonious development of the world economy. In this context, we strongly believe that multilateral development organizations should be revitalized to serve as effective forums of policy dialogue in their respective fields.

Secondly, with regard to the pressing issue of the debt burden of the developing world, we believe that a more comprehensive and effective mechanism should be developed to achieve a significant reduction in the external debt of developing countries. While we welcome various initiatives taken thus far by some developed countries, they appear to have lacked sufficient political will and a sense of shared responsibility between debtors and creditors, including international financial agencies.

Since the sustained development of developing countries to a large extent depends upon securing adequate levels of financial resources, the net financial

(Mr. Yoo, Republic of Korea)

flow to developing countries in the form of official development assistance and direct investment should be substantially increased.

Thirdly, we believe that the issue of persistent protectionism in international trade is another serious problem, common to all countries, that works especially against the trading interests of developing countries. In this connection, we cannot overemphasize the vital importance of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in maintaining the principle of free trade.

In addition, it is also of paramount importance that regional economic integration, as is exemplified by the forthcoming single European market and the North American Free Trade Agreement, should not assume restrictive forms and thus undermine the world economic structure. In particular, any regional arrangements should avoid practices of a discriminatory nature and seek to benefit the world economy as a whole.

Fourthly, as decreasing East-West tension and the resultant process of disarmament make it increasingly feasible to mobilize invaluable financial resources from the possible reduction in military expenditures, we believe that it would be most desirable if we could utilize these peace dividends to nourish the backward economies of developing countries. Part of an enlarged pool of peace dividends could also be channelled into a global fund designed to support the economic growth of developing countries. We believe that the economic restructuring in the Eastern European countries and the accelerated integration of those economies into the world market economy will provide new economic opportunities, including market expansion, for developing countries.

Although the international community must be responsive to the needs of the Eastern European countries, it would be most desirable if economic assistance to support their economic reforms were not made at the expense of other developing

(Mr. Yoo, Republic of Korea)

countries. It is with such an understanding in mind that the Republic of Korea continues to render economic support for the successful reforms of the Eastern European countries on both a bilateral and a multilateral basis.

Lastly, we are convinced that another critical issue facing the international community is environmental protection. Environmental degradation is indeed a global issue which requires global attention for the future of our planet. While the developed countries should bear a major responsibility for causing global environmental damage and thus for reversing it, developing countries must also pursue environmental protection as an integral part of their economic development plans.

In this regard, I wish to make it clear, however, that the Korean Government is opposed to the use of environmental concerns to impede the economic growth of developing countries.

Since the purpose of the present session is to draw some useful lessons from the past, I wish briefly to mention Korea's development experience.

Today Korea is frequently referred to as a model case for other developing nations by virtue of its successful economic development performance, which has turned it into the world's tenth largest trading nation, with a per capita gross national product of over $5,000. Only 25 years ago, however, Korea was a poor country, with a per capita GNP of less than $100. Although the country is endowed with poor natural resources, the Government and people of the Republic of Korea were able to achieve today's progress through their concerted efforts and hard work on the basis of a free democracy, market economy and extensive external trade co-operation.

From its own experience over the past three decades, Korea is keenly aware of the importance of maintaining close co-operation with other countries in achieving balanced development in various fields leading to successful nation-building. That

(Mr. Yoo, Republic of Korea)

is why Korea remains fully committed to the cause of promoting substantial co-operation between countries for mutual benefit and the common welfare of mankind.

In parallel with its vigorous economic performance, the Republic of Korea has expanded its efforts to play a corresponding role in the international economy commensurate with its economic capabilities. The Korean Government is moving fast in the direction of an open and free trade system. Our domestic market for imports is opening at an accelerated rate, with tariffs significantly reduced. Services and capital markets are also opening up further. As a result of those ongoing efforts for market liberalization, relatively few import barriers now remain in Korea.

With the opening of markets, the Korean Government has also promoted various development co-operation schemes to assist other developing countries. Technical co-operation in the form of sending Korean experts and receiving foreign trainees will increase as we continue our major efforts for overseas development co-operation.

Furthermore, despite the heavy economic burden of its own outstanding debt, the Korean Government established the Economic Development Co-operation Fund in 1987 to provide soft loans for development projects in developing countries. I am pleased to report that the Fund is now in full operation and will continue to be expanded in the future.

At the same time, it is also encouraging to see Korea's growing investment in developing countries, which now accounts for almost half of its total overseas investment. We believe that overseas investment, as a package of capital, technology, and marketing skills, will make an effective contribution to the industrial development of recipient developing countries.

(Mr. Yoo, Republic of Korea)

In addition, the Korean Government has also initiated co-operative activities within the framework of the United Nations system by establishing the Korea-ESCAP (Economic and Social Commission for Asia and the Pacific) Co-operation Fund and in 1987 made contributions to the United Nations Industrial Development Organization Trust Fund in 1989. Our contributions to those two Funds are designed to expand our economic and technical co-operation schemes on a multilateral basis.

With the establishment of Korea Youth Volunteers and participation in the United Nations Volunteers programme in 1990, our development co-operation will enter a new stage. We believe the two programmes will provide Korea's young generation with invaluable experience in development co-operation and contribute to promoting genuine partnership between Korea and other developing countries.

As we enter the last decade of the present century, we are filled with renewed confidence in multilateralism for development co-operation.

We are convinced that the United Nations, as a unique forum to address development issues in a comprehensive and integrated manner, should continue to play a pivotal role in meeting the increasingly diversified and growing needs of the international community.

For its part, the Republic of Korea stands firm in its commitment to the great cause of peace and common prosperity set out in the Charter of the United Nations. As Korea continues to progress, it is prepared to assume corresponding obligations as a mature and responsible member of the world community and to participate actively in international co-operation so as to promote peace and prosperity in the world.

Hoping that our participation in this special session will provide momentum for our making significant contributions to the United Nations, I wish to express once again our full confidence in the mandate of this special session and to renew our support for its successful conclusion.

The PRESIDENT (interpretation from French): Pursuant to the decision taken by the General Assembly at its first plenary meeting on 23 April, I now call on the President of the African Development Bank, Mr. Babacar Ndiaye.

Mr. NDIAYE (African Development Bank) (interpretation from French): Africa today is in the midst of extraordinary economy difficulty. We are witnessing not a transient phenomenon of little significance but a protracted period of economic retrogression.

Real per capita incomes are today lower than they were in 1980. We have seen serious budgetary and trade imbalances and import reductions exacerbated by the drastic fall in commodity prices. Drought and famine have also had their toll; and the deterioration of the physical environment now threatens both the livelihood of millions of people and sustained development, and the heavy burden of external debt remains a major obstacle to investment and national growth.

Economic indicators tell only part of the story. The economic crisis means that living conditions in parts of Africa, already among the lowest in the world, have deteriorated further to levels which are unacceptable to modern civilization.

What is remarkable is that, at the same time, the more fortunate countries of the developed world enjoyed a period of relative achievement during the 1980s. We have thus seen the gap between rich and poor, North and South, those who set the prices and those who sell the commodities, creditors and debtors, widen to the proportions of a gulf. The imperatives of bridging this gap, of creating wealth and opportunity for all, and of ensuring equity in the rewards for effort are a challenge which we in Africa have accepted and courageously faced. But this historical responsibility must be also shared by the rest of the international community.

(Mr. Ndiaye, African Development Bank)

In responding to this challenge, Africa has recognized its own shortcomings and has spent much of the past few years undertaking policies of reform and adjustment to arrest the economic decline and begin the process of recovery.

Exchange rates have been adjusted; producer prices have been raised; monetary and budgetary excesses curbed; public enterprises restructured and, where appropriate, privatized; and there has been renewed interest in market mechanisms. Moreover, longer-term concerns related to the environment, population growth, the role of women in development, science and technology and the building of human capacity are increasingly being addressed in our development programmes.

Such policies are clearly necessary and represent moves in the right direction. African countries should persevere and deepen these growth promoting measures. But, as our experience has shown, these policies are an insufficient response to the difficulties we face.

Consider, for instance, the case of Uganda, which in 1989, after carefully preparing its annual budget, which included major plans for macro-economic and sectoral reform, saw the price of coffee, its major export, fall dramatically within a few days. The result was a major loss of export earnings, amounting to over $100 million, or more than 25 per cent of total export earnings - a setback to its established programmes and a considerable disruption to its recovery efforts. The Assembly, I am sure, is also aware of the case of Côte d'Ivoire, where the decline in cocoa and coffee prices resulted in a 30 per cent fall in 1989 export proceeds and adversely affected the country's economic and political stability. Can one reasonably expect these countries to plan or programme effectively in such circumstances? The answer is obviously, no.

If we agree that the fundamental purpose of adjustment is to secure sustained economic growth, then we must also acknowledge that an input of resources is

(Mr. Ndiaye, African Development Bank)

required to make this process successful. Adjustment demands not simply the putting in place of the necessary policies and structures but also moving beyond demand management to ensuring adequate supply responses - and hence providing the material and financial support needed to ensure the sustainability and effectiveness of these policies.

To ensure that policies and programmes of reform generate the intended results, Africa needs to be assured that the available resources will be adequate to the task. In the present circumstances, it is clear that the resource gap needs to be met by substantial external flows; failing that, our economies will simply not grow, and as a result, the cycle of poverty will continue and the reform process will fail.

For instance, if we wanted low-income African countries to grow at the same average rate as did the industrial countries in the 1980s, resource flows in excess of $20 billion per year would be required. Africa's resource requirements are therefore quite substantial. As an international community, we must continue to address this question of resource flows and growth, dealing at the same time with debt problems and international trading arrangements.

Whatever promise current reform and restructuring efforts may hold, the nature of the debt problem is such that these efforts are likely to founder in the absence of initiatives that go beyond those outlined at the Toronto Summit Conference, beyond the Brady plan and beyond the laudable, but relatively limited, debt-moratorium efforts of some bilateral creditors. Debt-service ratios remain much too high, given the resource requirements for economic recovery. Workable, lasting debt relief is therefore critical to any strategy of recovery and sustainable economic growth, and it is essential to establish a mechanism for the refinancing of debt which will be financed partly from savings made on

(Mr. Ndiaye, African Development Bank)

peace-keeping expenditures as a result of the relaxation of tension in the world. That mechanism would sustain the reform effort and the growth of the developing countries.

I wish to make a few comments on international trade:

(Mr. Ndiaye, African Development Bank)

As we are all too well aware, international trade represents a major source of resource flows and is an important vehicle for economic growth. We are also aware that the dramatic deterioration in the developing countries' terms of trade, largely reflected in the precipitous declines in commodity prices, has sharply reduced the export receipts of many countries, limited the possibilities of broadening our production bases, and, in the process, severely constrained our reform and adjustment efforts.

Short- and long-term measures are called for to tackle the commodities and trade problems of African countries.

In the short term, substantial export stabilization measures are needed for commodity prices to cushion growth against the adverse impact of export shortfalls, and to contain the debt-servicing problem.

In the longer term, export diversification towards products with dynamic demand potential is critical. Equally important is the need to dismantle artificial barriers to trade, especially for the new products of African countries. Also the drift towards bilateralism and managed trade should be cast aside in favour of freer trade, less protectionism and adherence to the fundamental principles of the General Agreement on Tariffs and Trade (GATT).

The African Development Bank, whose function is to finance development, has taken important steps in the recent past in the areas of debt, policy and structural reform. We have not only engaged in close dialogue on reform with our regional member countries, but have also provided them with financial support for reform. Also, we collaborate with other organizations to address the social dimensions of adjustment. Mindful of the need to encourage private enterprise, we have established our own internal mechanisms to promote the African private sector.

(Mr. Ndiave, African Development Bank)

Some three years ago, we also launched an important initiative on debt, the distinctive features of which were a close alignment of debt-service payments to export-earning capacity, and an eventual pay-off of the debt. We have also sought to encourage the process of economic integration and trade expansion through support for various subregional organizations. The need to support the reform and restructuring process underlies our proposal for a substantial sixth replenishment of the resources of the African Development Fund for the years 1991 to 1993. We shall be approaching the donor community shortly for its support on that major initiative to mobilize concessionary resources for Africa.

To end these brief remarks, I should like to put before the Assembly three main points for its consideration. First, policy reforms and structural adjustment are necessary but not sufficient conditions to enable our countries to extricate themselves from the current crisis and move on to a period of sustainable growth. Secondly, the reform efforts now need to be complemented by a substantial and significant flow of external resources. Thirdly, overall success will depend critically on what the international community now does in the key areas of debt relief, international trading arrangements and the flow of external resources.

It is high time to transcend partisan political and economic interests and conceive of a world community in which greater wealth and new opportunities are created to serve not just one nation, one trading bloc or one special interest but all the inhabitants of our global village. Good sense, our interdependence and the globalization of the world economy dictate that single option. The recognition that the efforts and initiatives of the developing world need to be encouraged and supported by the countries of the North would be the true test of the latter's wisdom and political vision in the interest of mankind as a whole.

(Mr. Ndiaye, African Development Bank)

I cannot end my statement without thanking Mr. Garba and the Secretary-General personally for having given me the great honour to speak before the Assembly - and this at such a late hour.

The meeting rose at 9 p.m.